

Hall Saw Shredding Papers As 'Protection,' Not Cover-Up



Fawn Hall testifying Tuesday in the Iran-contra hearings.

Iran-Contra Hearings End First Phase

The Associated Press WASHINGTON — Fawn Hall testified Tuesday that she never considered her shredding, altering and removing sensitive documents from Lieutenant Colonel Oliver L. North's files to be part of a cover-up.

Top Military Not in U.S. At Time of Stark Attack

By George C. Wilson Washington Post Service WASHINGTON — Navy Secretary James H. Webb Jr. and the national security adviser, Frank C. Carlucci, were distressed that the military leaders they wanted to consult most were out of the country when the U.S. frigate Stark was attacked by an Iranian fighter jet on the night of May 17.

Kiosk

Demjanjuk Said Not to Be 'Ivan'

BARCELONA (AFP) — A survivor of the Treblinka death camp has testified at a court near here that John Demjanjuk, currently on trial in Israel on charges of being a Nazi war criminal, was not the Treblinka guard known as "Ivan the Terrible."



Pope John Paul II at Lublin's Catholic University on Tuesday. Page 2.

GENERAL NEWS

The idea of patenting genetically engineered animals has led to a loose coalition of unexpected opponents. Page 6.

U.S. Tourists' Voices Are Heard Anew in the Streets of Europe

By Thomas Netter International Herald Tribune LUCERNE, Switzerland — "So, do you take credit cards?" asked the middle-aged American tourist, sitting with his wife on the hotel terrace here.



Leaders of the industrialized nations posed on Tuesday before beginning the summit meeting. They are, from left, prime minister Wilfried Martens of Belgium, Jacques Delors, president of the European Commission, Prime Minister Yasuhiro Nakasone of Japan, Prime Minister Margaret Thatcher of Britain, President Ronald Reagan, Prime Minister Amintore Fanfani of Italy, President Francois Mitterrand of France, Chancellor Helmut Kohl of West Germany and Prime Minister Brian Mulroney of Canada.

Reagan Receives Tepid Support On Terror, Gulf

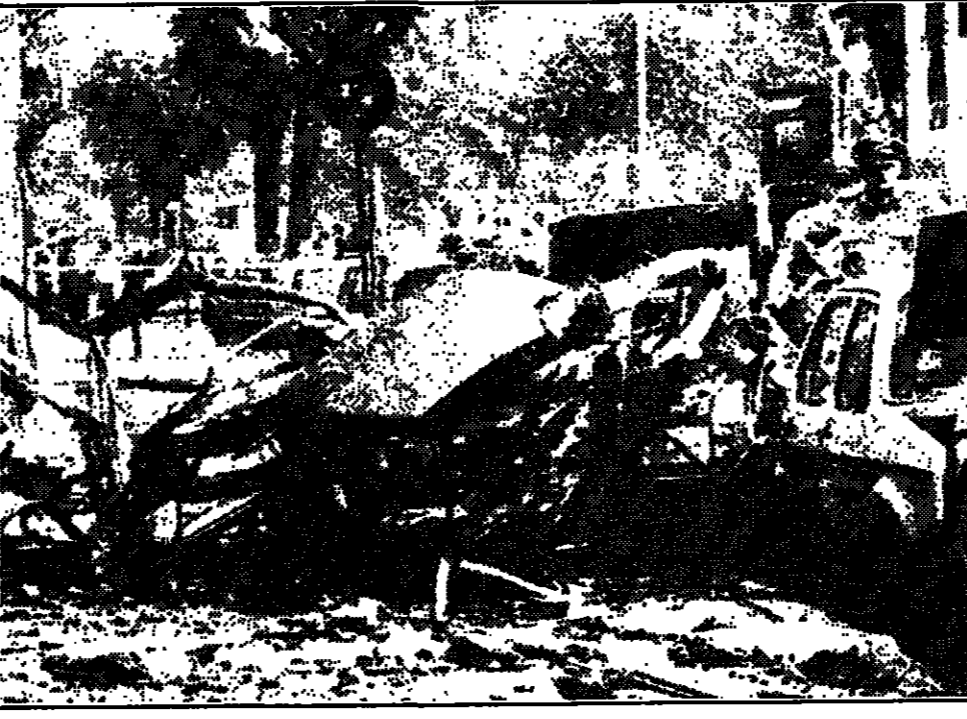
By Lou Cannon and Hobart Rowen Washington Post Service VENICE — President Ronald Reagan received only tepid support here Tuesday from allied leaders attending the 13th annual economic summit meeting for U.S. policy on terrorism and the Gulf and also came under strong pressure to reduce the U.S. budget deficit.

Venice Gains Said to Fall Short of U.S. Expectations

By R.W. Apple Jr. New York Times Service VENICE — On the eve of this week's summit conference, Howard H. Baker Jr., the White House chief of staff, made a point of saying, "I am not one of those who have gone about trying to diminish expectations."

East German Police, Rock Fans Clash In Berlin for the Third Straight Night

By Robert J. McCartney Washington Post Service BERLIN — For the third straight night, hundreds of young pop music fans clashed early Tuesday with the East German police, who tried to bar them from listening to a concert just across the Berlin Wall.



ROME BOMB BLAST — Several wrecked automobiles lying in front of the U.S. Embassy in Rome on Tuesday. Page 2.

NEWS ANALYSIS

that the United States had achieved what it sought in Venice — that Mr. Baker's prediction had borne fruit. But other key aides to President Ronald Reagan sounded a good deal more defensive, especially in private.

From Reagan, A Few Delphic Words for Press

The Associated Press VENICE — Journalists covering the Venice summit meeting had a chance to question President Ronald Reagan and Prime Minister Margaret Thatcher of Britain before the first full session on Tuesday, but the communications left something to be desired.

# Pope Prays at Ashes Of Nazi Death Camp

By Roberto Suro  
New York Times Service

LUBLIN, Poland — Evoking his homeland's bloody past, Pope John Paul II prayed over the ashes of concentration camp victims Tuesday and called for a re-examination of Poland's Communist system in order to bring a better future.

In a lecture at the Catholic University of Lublin, the pope said: "As a son of this homeland, I risk expressing the view that it is necessary to think over many questions of social life, structures, organization of labor, all the way to the very premises of the contemporary state organism from the point of view of the future of the young generation on Polish soil."

Here, as elsewhere on his third trip to Poland as pope, John Paul attacked the philosophical underpinnings of the Communist regime.

Later in the day, at the first big outdoor event of his weeklong trip to Poland, he prominently mentioned two of the Polish government's most noted Roman Catholic opponents as he preached to a crowd estimated at close to a million.

He quoted from the prison diaries of Cardinal Stefan Wyszyński and told newly ordained priests that they must "look hard" at the example set by the Reverend Jerzy Popielusko, a devoted supporter of the outlawed Solidarity trade union movement who was murdered by the police in 1984.

John Paul, on the second day of his Polish visit, arrived from Warsaw by helicopter on a damp, gray, spring morning, landing at the site of the Majdanek concentration camp on the edge of the city.

The pope was met by about 800 camp survivors, who lined the road of martyrdom. "That was the route taken by many of the 360,000 who were led to the camp's gas chambers.

As a uniformed band played

Chopin's funeral march, the pope walked slowly toward the concrete mausoleum. Inside, he knelt for about 10 minutes, silent and immobile. In front of him was a mound made of victims' ashes and shards of bones. An inscription reads simply: "Our fate is a warning to all."

When the pope finished his prayer, Wanda Osowska, who escaped a death sentence at the camp in 1944, handed him a bouquet of flowers that he placed on the mound.

John Paul told her, "You should bear witness for these dead for all who live, to tell them what happened in this camp," adding: "We commend those responsible to the justice and mercy of God."

The pope came to Lublin primarily to visit the only full-scale Catholic university in Communist Europe. John Paul taught ethics at the university for 24 years. In his lecture, he insisted that the school must "relentlessly, unyieldingly" raise the question of the future being offered to Poland's young people.

Government studies have shown that two-thirds of Poland's university and high school students expect to go abroad in search of work or to emigrate permanently. "We cannot allow them to fail to see a future for themselves in their own homeland," he said.

The pope was previously barred from visiting Lublin, and on Tuesday it was flooded with paramilitary guards. The entire city was sealed off Monday to all except these with special passes.



BIDEN ANNOUNCES CANDIDACY — Senator Joseph R. Biden of Delaware after announcing his candidacy on Tuesday for the Democratic presidential nomination.

# Georgian Impresses New York Liberals

By Paul Taylor  
Washington Post Service

NEW YORK — Senator Sam Nunn, Democrat of Georgia, edging closer to a decision about whether to seek his party's presidential nomination, gave a foreign policy talk here Monday that left a roomful of skeptical liberal Democrats singing his praises.

"It was a very impressive performance," said John V. Coonrath Jr., a lawyer who was the 1984 Jr. campaign co-chairman in New York for then-Senator Gary Hart of Colorado. "I was particularly taken with the way he answered the question about contra funding. This was an audience that opposes it, and he gave a very forthright explanation of why he supports it."

"His story about Mario the ballplayer was terrific — it really showed he has a feel for local politics," said Gordon Stewart, a veteran Democratic Party activist. A prominent Democratic fund-raiser said Mr. Nunn "could raise a lot of money in this town."

Mr. Nunn spoke at the invitation of Governor Mario M. Cuomo of New York and the state Democratic Party in one of a series of issues forums. This one attracted an audience of several hundred.

Mr. Nunn, chairman of the Armed Services Committee, who had played minor-league baseball as a young man.

He told a tale of young "Mike" Cuomo's days as a minor-leaguer in Georgia 35 years ago, weaving

# WORLD BRIEFS

## Soviet Aide Predicts Autumn Summit

MOSCOW (WP) — A Soviet spokesman said Tuesday that it was "realistic to hope" for a U.S.-Soviet summit meeting this year, probably in late autumn.

Boris Pyadishv, deputy Foreign Ministry spokesman, said that a draft treaty on eliminating medium-range missiles in Europe could be ready by September or October and that a "summit might take place any time after that deadline."

Before then, he said, Foreign Minister Eduard A. Shevardnadze and the U.S. secretary of state, George P. Shultz, would meet in Washington, though no date has been fixed.

"Positive results" from that meeting "would make it possible to review the question of a Soviet-U.S. summit," Mr. Pyadishv said.

## Kenya Briefly Detains U.S. Reporter

NAIROBI (AP) — The government issued but then withdrew an order expelling Blaine Harden, a Washington Post reporter, from Kenya, saying the order was an error, a U.S. Embassy spokesman said Tuesday.

Mr. Harden, who has been in Nairobi since 1985, was arrested, but later released, when he went to the immigration office to renew his work permit. He was given a letter ordering him to leave Kenya. The letter stated that his "entry into or presence within Kenya is contrary to the national interest."

His reports on Kenya's human rights record have angered the government. The U.S. spokesman said Mr. Harden, along with other journalists, have been reporting on purported human rights violations, including the torture and abuse of people by the police. The government has denied all allegations.

## CIA Is Linked to Death of Torrijos

PANAMA CITY (AP) — A former military chief of staff said Tuesday that Panama's armed forces commander, General Manuel Antonio Noriega, and the U.S. Central Intelligence Agency were behind the 1981 death of General Omar Torrijos, the Panamanian leader, in a plane crash.

Colonel Roberto Diaz Herrera, 49, retired last week as armed forces chief of staff, the second-highest military position after General Noriega. Colonel Diaz Herrera said a plot involving a bomb aboard the plane was formulated in Panama and involved Lieutenant General Wallace H. Nutting, then commander of the Panama-based U.S. Southern Command, and a CIA official, whom he did not identify.

On Monday, Colonel Diaz Herrera asserted that General Noriega ordered the 1985 killing of an opposition leader, Hugo Spaldino. The opposition newspaper La Prensa also quoted Colonel Diaz Herrera as saying that he and General Noriega had participated in election fraud in 1984 to ensure the loss of the opposition candidate, Arnolfo Arias Madrid.

## Spain's Socialists Face Election Test

MADRID (Reuters) — The Socialists' five-year hold on Spain and their tough economic policies will be tested Wednesday in local elections and in voting for the European Parliament after months of social unrest.

At stake are 60 seats in the European Parliament as well as the seats in 13 regional parliaments and 8,044 town councils, now mostly controlled by the Socialist Workers' Party.

Buoyed by social discontent and some surveys showing Prime Minister Felipe Gonzalez's popularity slipping among the 28.4 million voters, the opposition has turned the poll into a bellwether for the next general election, in 1990.

## 1970 Marine Deserter Returns to U.S.

LOS ANGELES (AP) — A man who deserted the U.S. Marines in Vietnam 17 years ago and started a new life in Australia returned to the United States on Tuesday to see his sick father, and a military guard took him into custody.

Douglas Beane, 39, a native of Rochester, Vermont, arrived from Sydney and was met by guards. Mr. Beane, a private first class in the marines, went absent without leave Feb. 28, 1970, two weeks before his tour of duty was to end, and made his way to Australia, where he married and had two sons with his wife, Karen, 27.

At the time, Mr. Beane was facing a court-martial on seven counts relating to alleged participation in a black market operation and allegedly threatening to kill a fellow marine. In a telephone interview Monday with a TV station in Burlington, Vermont, Mr. Beane said he expected to be imprisoned until military authorities decided what to do with his case. "It's something I've been living with for too long," he said. "I want to see my family. I would like to see my parents, at least."

## For the Record

President Rafil Alfonsin of Argentina signed laws Monday to grant amnesty to all but the most senior officers accused of rights abuses under military rule, to legalize divorce and to move the seat of government from Buenos Aires to the twin cities of Victoria and Carmen de Patagonias in Patagonia, in southern Argentina. (AP)

Testimony ended in the New York City trial of Bernhard H. Goetz on Monday for attempted murder with the Suffolk County, New York, medical examiner casting doubt on Mr. Goetz's assertion that four suspected robbers he shot were standing around him in a diamond semicircle when he opened fire in self-defense in December 1984. Charles Hirsch said it was medically impossible to determine how the victims were positioned when they were shot. (UPI)

## TRAVEL UPDATE

An empty Alaska Airlines 727 plane collided with a jetway while taxiing Tuesday at Anchorage International Airport and burst into flames, forcing a brief evacuation of the airport. (AP)

British air control assistants ended a 24-hour strike Tuesday but customs officials and other civil servants were still on a two-day stoppage for increased pay, union officials said. Airline officials said flights were returning to normal. (Reuters)

Two American Airlines jets were guided past each other at a fraction of the minimum legal separation distance because of an error by an air traffic assistant in Chicago last month, the National Transportation Safety Board said Monday. The Federal Aviation Administration informed the safety board that a series of steps will be taken to remedy problems in the area. (NYT)

A dozen foreign airline workers in Rome staged a one-hour strike Tuesday at Leonardo da Vinci Airport in sympathy with a woman employee of Iran Air allegedly dismissed for refusing to wear a veil. The strike did not hamper air traffic. (AP)

## BERLIN: Third Night of Clashes

(Continued from Page 1)

political observers. That is because East Germans, with ready access to West German television and radio and with family and historical ties to West Germany, are more likely than other East Europeans to expect Western-style freedoms, they said.

About 3,000 young people gathered on Unter den Linden and on side streets Monday evening. Many stood in small groups around radios and listened to the Genesis concert, which was broadcast live by a West Berlin station.

Some young people taunted the police, who generally were impassive except when the crowd pressed forward. Most of the arrests were made when crowds briefly broke through the police lines. The young people struck back with their fists when police officers hit them with nightsticks.

The crowd on Monday night was somewhat larger than on Sunday night, when 20 to 30 persons were arrested, according to Western journalists who were present on both occasions. Scuffles between the pop music fans and the police also broke out Sunday night, when a much smaller crowd gathered. No arrests were reported then.

The Eurythmics, a British pop group, performed Sunday night, and David Bowie, the British rocker, was the Saturday night star. All gave open-air concerts on the grounds of the old Reichstag building, which is just across the wall from the Brandenburg Gate at the end of Unter den Linden.

■ Moscow Not Annoyed

A Soviet official said Tuesday that the Soviet government could only be pleased that young East Germans had chanted Mr. Gorbachev's name. Reuters reported from Moscow.

## SUMMIT: A Fragmented Conference Avoids Taking Any Visible Risks

(Continued from Page 1)

Iraq has been willing for several weeks to heed such calls.

But officials of the other participating countries denied having made any such commitment, and several said they would not have agreed to any statement implying that they had.

Italian officials were even telling journalists that they had at the last minute succeeded in inserting the word "just" in the leaders' call for support of "just and effective measures" by the United Nations to end the Iran-Iraq war.

That word, they said, meant that any such measures must treat the two countries equally and was intended to counter what the Italians consider a dangerous American tendency to "tilt" Western policy toward Iraq.

Nor was there much to which Mr. Reagan could point with pride in the statement on terrorism, which was largely a rehash of past statements, or in the largely anonymous statement on East-West relations.

According to officials of several countries, the president also seemed headed for a series of setbacks on the economic front before the conference ends Wednesday afternoon.

What happened?

First, as White House aides were quick to concede, Mr. Baker and some of his aides, inexperienced in the dynamics of these meetings, focused attention on areas where there was never much hope for success and in the process set themselves up for a fall.

They circulated word, for example, that Mr. Reagan would push for tough language on Iraq; in the end, he never did so, partly because others steered Monday night's conversation in other directions but mainly, a senior American said, because the delegation knew that he would have no real chance of success.

Second, the Japanese and the Europeans, with the exception from time to time of Prime Minister Margaret Thatcher of Britain, have always taken a narrower view of the function of these meetings than have the Americans.

They are willing to diverge from the formal economic mandate but not to make major decisions in some areas, notably including security and weapons issues.

Third, the time was not ripe for new initiatives, with elections this week in Britain and Italy, Mr. Reagan under attack at home and the French and Japanese political situations unsettled.

In the face of this situation, which was well known to all the participants weeks ago, important constituencies such as the international financial community and the world press nonetheless looked to Venice for answers to pressing problems.

It is part of the aura generated by these meetings that hopes will be raised by them.

"I suppose it is inevitable," commented one of the personal assistants who help to arrange these gatherings.

"Tensions here, tensions there, problems in the economy — who are people supposed to look for solutions if not to the assembled political firepower of the Free World? The difficulty, of course, is that intractable problems do not yield solutions in 48 hours, or in 480."

Finally, many of the Europeans believe that American policy in the Gulf is ill-formed and risky, although they are not prepared to say so publicly.

## Rome Blasts Aimed at U.S., Britain

By John Tagliabue  
New York Times Service

ROME — Two bombs exploded on the grounds of the American and British embassies here early Tuesday, and a third ripped apart a car in a street next to the U.S. Embassy compound, according to the police and witnesses.

The attacks caused no injuries. A police spokesman, Riccardo Infelisi, said investigations were focusing on two persons who checked into a hotel across from the U.S. Embassy on June 6.

The attacks came one day after a caller to the Italian news agency office in Beirut warned that attacks would be made against "Italian interests everywhere," because Italy had played host to President Ronald Reagan in Venice.

The call in Beirut came from a previously unknown group calling itself the Palestinian Islamic Jihad Organization.

Mr. Infelisi said the first attack at about 7 A.M., occurred at the British Embassy, when two bombs were fired from near the embassy into the embassy's courtyard.

Richard Northern, an embassy spokesman, said only one bomb detonated, causing little damage.

Shortly thereafter, the police said, a bomb containing about four and a half pounds (two kilograms) of explosives tore apart a car and damaged several others parked on a side street next to the U.S. Embassy compound.

At about the same time, two bombs were fired into the embassy gardens. One detonated, cracking windows in the embassy building and scattering debris in the gardens.

The police said a crude rocket launcher was found in room 418 in the Hotel Ambassador, from which the bombs had apparently been fired into the U.S. Embassy garden. A similar device was found near the British Embassy.

The police said they were searching for an occupant of the hotel room.

## VENICE: Tepid Support of Reagan

(Continued from Page 1)

But so far West Germany only has agreed to a reiteration of a promise made in Paris last month to boost its economy if growth slows down.

On another key issue, the United States and other countries have been seeking an endorsement by the summit leaders to support toward elimination of huge farm surpluses.

But West Germany has been trying to weaken a recommendation by the Organization for Economic Cooperation and Development concerning the surpluses.

In a final area of economic importance, the Reagan administration says it is pleased with the endorsement of a new process for coordinating economic policy that was conceived in Tokyo at last year's summit meeting.

## TOURIST: Americans Return

(Continued from Page 1)

industry officials say. Even though there is a slight decline in the cost of getting to Europe because of lower air fares, they say that this will be offset by the weaker dollar. In London, for example, a pound now costs more than \$1.60.

In the case of Paris, in addition to the weaker dollar is a lingering sense of uneasiness over safety, according to French officials.

"Americans are returning to Europe, but not as much to Paris or even France," said Marie-Christiane Bourgeois of the French National Organization of Hoteliers and Restaurateurs in Paris, which monitors overnight stays in French hotels.

## Soviet Accepts Test Verification

GENEVA — The Soviet Union put forward Tuesday its provisions for a comprehensive nuclear test ban treaty. They include measures for mandatory inspection of test sites by an international team if cheating were suspected.

It was the first time the Soviet Union has agreed to the Western position at the 40-nation disarmament conference in Geneva that arms treaties must be verified by mandatory and quick "challenge" inspections to prevent cheating.

The Reagan administration has refused to join a moratorium or enter into negotiations with the Soviet Union on a full test ban, saying tests were essential to maintain atomic arsenals.

## TESTIMONY: Hearings Recused

(Continued from Page 1)

North personally and to what he represented in terms of policy.

"For the nearly four years that I worked for Lieutenant Colonel North," she said in an opening statement, "my hours were long and arduous but I found my job to be most fulfilling."

"During my tenure at the National Security Council, I came to have enormous admiration and respect not only for Lieutenant Colonel North but of many with whom we worked. I admired them not only for their hard work and professional abilities, but also for their selfless and deep sense of dedication and loyalty to the president and our country."

Earlier, before beginning her testimony, Miss Hall denounced as "sexist" comments by Senator Howell Heflin, Democrat of Alabama, who said he believed she had removed classified documents by stuffing them inside her clothing and brassiere.

In fact, she said, "I took the altered copies and put them inside my boots, and put them in my back." She reached behind and patted her waist.

## Swiss and Russians Expel Emovs on Spy Charges

BERN — Switzerland expelled a senior Soviet diplomat last month for spying and Moscow retaliated by ordering out a Swiss envoy, it was announced here Tuesday.

Vladimir Khoroshilov, first secretary in the Soviet Embassy, was expelled May 21 for political and economic espionage on Swiss territory, an official statement said. The communiqué also said Switzerland was prosecuting the retaliatory expulsion of Erich Fircher, who held the same rank at the Swiss Embassy in Moscow.

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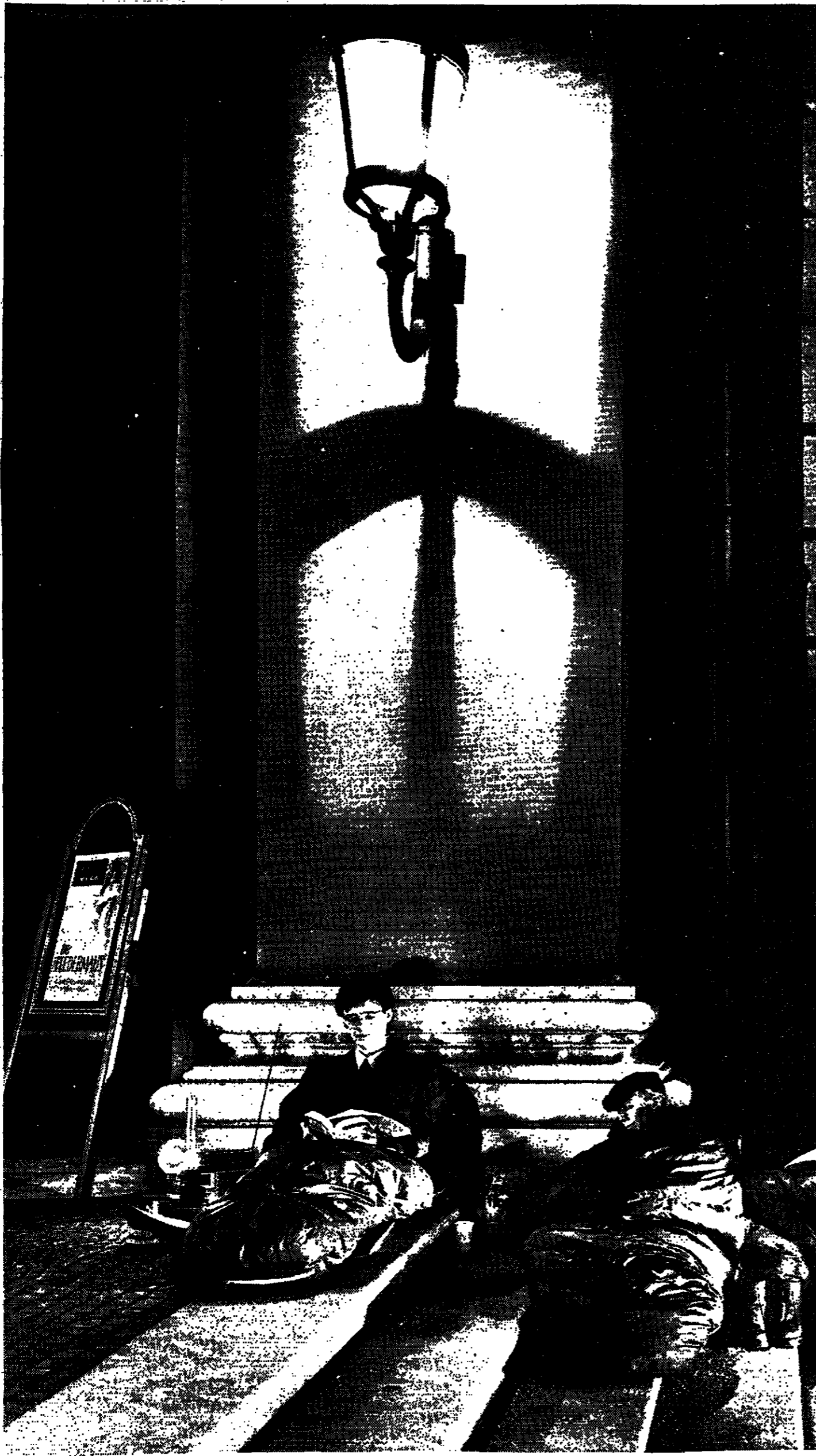
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# A NIGHT AT THE OPERA FOR THE GUESTS. THREE DAYS IN THE QUEUE FOR THE BELLBOY.



In Munich, tickets for the New Year's Eve opera are about as plentiful as snowballs in August.

(Except when the opera is Johann Strauss's 'Die Fledermaus.' Then the tickets are really difficult to get hold of.)

In fact, if you want a ticket you have to prove your dedication beyond all reasonable doubt.

Three days before the performance, you have to report to the ticket office at 6.00 am.

Two hours later you have to report again. And two hours after that, and two hours after that. And so on until 10.00 that night. (This soon sorts out the zealots from the merely enthusiastic.)

The next day, the same thing happens.

And on the third day (by which time only the fanatical fringe is left) you queue continuously from 6.00 am until you get a ticket.


So when two of our regular guests at the Munich Sheraton asked after tickets to 'Die Fledermaus,' all we thought we could offer was a sympathetic shrug.

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INTERNATIONAL Herald Tribune

Thatcher's Lasting Mark

Britain's 1979 and 1983 election victories foreshadowed American political swings...

Chipping Away in Venice

By peeling off some of the punitive tariffs that he imposed on Japanese electronic goods...

Major Gaps on the Gulf

Real events force presidential candidates to look up from their speech texts and position papers...

Other Comment

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OPINION

A Partial U.S. Pullout Could Benefit Europe

By Zbigniew Brzezinski

This is the second of two articles.

WASHINGTON — At present, the United States is least prepared to defend its interests in the region in which a challenge is most likely — the Gulf...

forts to advance the demilitarization of Western Europe. We in the West must be vigilant and ready to rebuff such efforts...

Better still, the West could propose that several NATO and Warsaw Pact countries in Central Europe be included in a "tank-free zone"...

to a conception of NATO as a global alliance based on geographic assumptions rooted in the 1950s. The United States needs to reconfigure its worldwide military deployments...

The writer was national security adviser to President Carter. He contributed this to The Washington Post.

For Israel, Victory Led To Menace

By Anthony Lewis

BOSTON — Here is an event that did not make the news from the Middle East last week. That was what made it significant. It happened in Ramallah...



Spain's Voters Will Turn the Clock Back to the '70s

By Victor de la Serna

MADRID — Today's elections in Spain may bring about the first significant change in the country's political map in almost five years...

one for members of the legislatures in 13 of the 17 autonomous "communities" or regions, and one for Spain's representatives in the European Parliament...

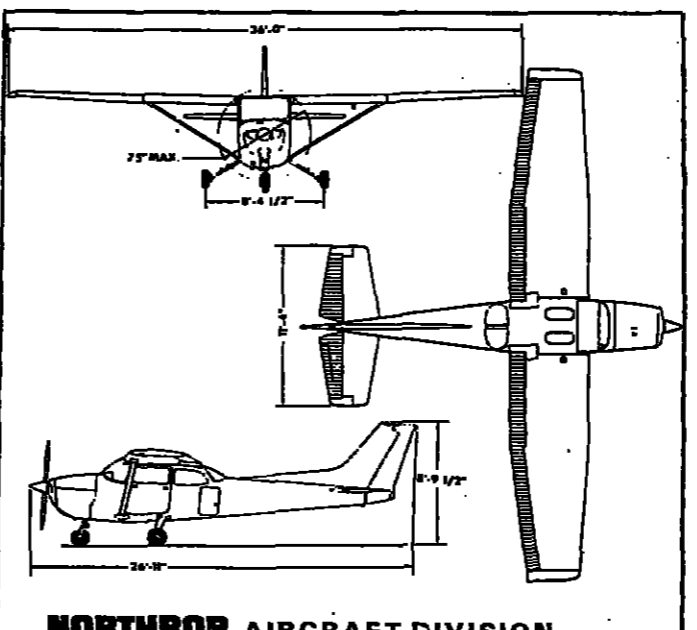
which included a reduction in the size of American forces in Spain in return for Spain's remaining in NATO...

ing the political process to much wider participation by ordinary citizens, and on which they haven't delivered. All power has been jealously kept for Socialist Party members...

It's Time To Rein In Ceausescu

By Jeri Laber

NEW YORK — Both the Soviet and the U.S. governments have recently indicated a growing opposition to the megalomaniacal policies of Romania's president, Nicolae Ceausescu...



NORTHROP AIRCRAFT DIVISION STEALTH BOMBER

For some years now Romania has taken independent foreign policy positions that depart from those of the Warsaw Pact...

There is no trust in Romania, where it is generally assumed that as much as one-third of the population is working directly or indirectly for the secret police...

There is no party earning more than 38 percent of the vote from today's election, alliances — that is, compromises and a search for consensus — will have to be made...

What has happened to the law is only a small part of the corrupting effect of the Israeli occupation. The larger part is simply the daily reality of ruling the 1.3 million Palestinians without their consent...

Twenty years after the great military victory of 1967, it is a victory that menaces the victors. Arthur Hertzberg, writing recently in The New York Review of Books, noted Arab sins against peace but said they "do not diminish Israel's burdens, for it needs peace more..."

International Herald Tribune. The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Roosevelt Revolt: NEW YORK — Ominous rumblings are coming from Oyster Bay, where it is believed the Third-Term Candidate is preparing to lead a personal raid on the Republican Convention...

1937: Atlantic Flights: PARIS — Both France and Germany will be in the race for the first regular air service across the North Atlantic, together with the United States and Great Britain...

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OPINION

Summit-itis Is Leading U.S. to New Yalta

By William Safire

WASHINGTON — Dressed in a sport shirt, the White House chief of staff, Howard Baker, told reporters that "it would not be a bad thing" if the United States worked out a deal with the Soviet Union jointly to deal with the Gulf.

Wow. Having been all but drawn into the Iran-Iraq war by the Kuwaiti threat to seek protection from the Russians, America is now joining the Arab world in issuing an invitation to the Russians to share Western suzerainty of the oil fields of the Middle East.

That would not only be a "bad thing," it would be a breathtaking geopolitical surrender. The Soviet Union has bled for years in Afghanistan in its thrust southward toward the Indian Ocean; it has tried to intimidate Pakistan and Turkey; it has sought ways to infiltrate the Iranian hierarchy, all with little success.

Just as Moscow is not the key to Arab-Israeli peace, it is not the key to Arab-Persian peace; in Americans' eagerness to stop local bloodshed, they must never forget that the Kremlin's interest is always in extending its power.

What is behind this drift toward the new Yalta? The answer is summit-itis. Not the happy media high afforded by the annual outside gabfest under way in Venice — that photo super-opportunity is one of the few fringe benefits left to being a head of state — but the detente fever that afflicts American presidents as they approach a superpower summit.

The purpose of the United States' intervention in the Gulf is not to punish the Iranians for diddling America over the hostages, or to save Iraq from the consequences of its aggression, or to uphold some lofty principle

ESSAY

of free navigation. The American purpose should be to keep the Russians out of the Gulf, away from the West's oil lifeline. The United States should implement that central purpose on the double-dealing recipients of its protection. The strategic threat comes from the Soviet Union, not from Iran.

Just as Moscow is not the key to Arab-Israeli peace, it is not the key to Arab-Persian peace; in Americans' eagerness to stop local bloodshed, they must never forget that the Kremlin's interest is always in extending its power.

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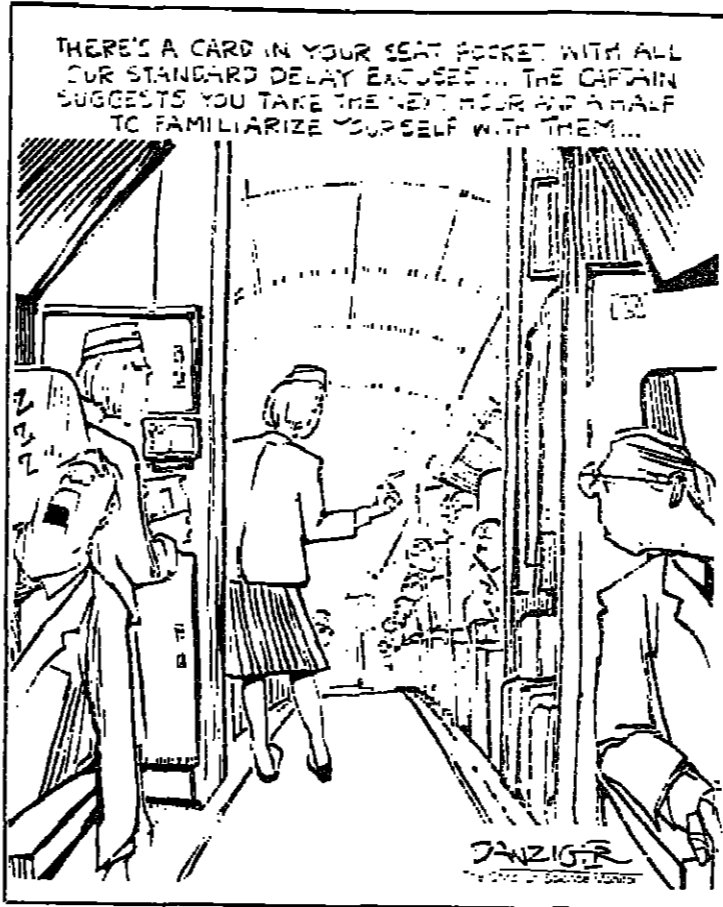
meeting toward the end of their careers. The obvious indications of dangerous summit-itis are the perversion of America's purpose in the Middle East and the Gulf, as if the Soviet Union was the solution rather than the problem. Less obvious, but a telltale sign, is the way the United States is following Mikhail Gorbachev's lead on the negotiations.

He wants an intermediate-range missile treaty first, because it serves his German reunification plans: that is the treaty he gets, and the NATO allies wonder why the United States cannot tie that to reductions in tanks and troops. The Russians want vagueness on verification: that is why we hear complaints about on-site inspection from America's own Stealth guardians.

The United States should press for its proposed 50 percent reduction in long-range missiles, for linkage of medium-range missiles to conventional force reduction, and for tying a summit meeting to progress in withdrawal from Afghanistan and on human rights. That is in the U.S. interest, but that is not what America is fighting for; instead, it is doing nothing to endanger an October summit meeting in Washington.

Summit-itis is warping American purpose. Howard Baker and his boss should ask themselves if a delay of the summit meeting would not be a bad thing.

The New York Times.



No Frills to Spoil the View Of a City Faithful to Its Past

By David S. Broder

CHICAGO — As an antidote to Washington, a weekend in Chicago proves wonderfully instructive in the delights of simplicity. The occasion is a reunion of the class of 1947 at the College of the University of Chicago, an odd lot of adolescents and returning veterans, all of whom had struggled with the mysteries of Plato's Dialogues and the other classics of their resident demi-god, Robert Maynard Hutchins, decreed to constitute the heart of a liberal education.

After dinner, our classmate, the archeologist Robert McCormick Adams, now the secretary of the Smithsonian Institution,

MEANWHILE

tells us we should not try retroactively to invent a homogeneous culture which had not existed in our student days. But we find in conversation that we had more of a bond than we knew. Almost all of us can summon up with ease the terror we had felt in confronting those formidable works of philosophy, science and literature we had been asked to read and analyze. And all of us can recall the occasional exaltation at discovering in classroom discussion or dormitory bull-session, some glimpse of their meaning.

After the reunion events, I leave the South Side for the North, seeking more wisdom from the contemplation of the past. At least 10 years before I set foot on the Midway — at least 50 years ago, that is — I started going to ball games at Wrigley Field. And Saturday afternoon I confirm what seems increasingly important — that it has not changed at all.

I had last checked it out in 1984. I had loved watching the first two playoff games against the Padres, surrounded by other longtime and long-suffering fans, all of us insulated from foreknowledge that the Cubs were about to blow their pennant chances again. But there was no link to the past in a Cubs-Padres rivalry, no precedent for the Cubs being in a league championship series. It felt very strange watching baseball in October in Wrigley Field.

This Saturday, by contrast, as the Cubs prepare to play the Cardinals, everything reverberates with tradition. These teams have played each other forever.

Much has been written about Wrigley Field's fidelity to baseball's past: the grass surface, the ivy on the outfield walls, the refusal to install lights or play night games. Less noted, but still important, is the simple fact that Wrigley Field allows baseball, the neighborhood game in every American community, to be played in a neighborhood setting.

Almost every other ballpark, old and new, is surrounded by acres of parking

lots; many have spaghetti strands of superhighway circling their perimeters. A few years ago, I tried to walk to a night game at Shea Stadium from the LaGuardia Airport motel where I was staying. The distance was modest, but no sidewalks or surface streets lead to the Mets' home. By the time I had dodged traffic to cross three freeways, I was almost too shook-up to enjoy the game.

Wrigley Field, by contrast, is reached on foot. You walk down city sidewalks, past apartment buildings which look better or worse than they did 50 years ago. The neighborhood is not being gentrified and it is not slipping slumward; it is the same it always has been, and so is the experience inside the park.

You walk in, buy your scorecard, and find your seat — in my case, in a box just beyond first base. The seats are still uncut wood; the scoreboard is primitive; and the game is unfolding just a few feet away. Time has stopped.

It is not until I get back in my rental car, savoring the memories of a satisfying 6-5 victory, that the meaning of the reunion and the ball game become clear. I tune in Garrison Keillor's next-to-last "Prairie Home Companion" broadcast and find him answering questions from people in the audience. A man, obviously unhappy at the program's imminent demise, asks plaintively "if we'll ever get another glimpse of Lake Wobegon."

Mr. Keillor responds that each of us should be able to construct a far more complete picture of his imaginary village in our minds when he stops giving us the weekly news from Lake Wobegon. He says that he has learned that the fewer details he supplies in his stories, the more convincing the pictures listeners draw for themselves. "I found that if I just didn't get in the way of people's imaginations, they would give me all kind of credit as a storyteller."

That comment is more than charming modesty. It explains why Wrigley Field and the College of the University of Chicago exert such a hold on those who attended them. The ballpark has no electronic scoreboards, fancy frills or other distractions to get in the way of the spectator's experience of the game of baseball. And the Hutchins college, today as then, encourages a direct experience, at whatever level of understanding one can achieve, of the writings of the finest minds of Western civilization.

Garrison Keillor is bowing out, but Wrigley Field and the College of the University of Chicago go on, essentially unchanged. And that is something to celebrate in this overmimed, overcomplicated world.

The Washington Post.

LETTERS TO THE EDITOR

Rocking the Boat by Air

Regarding the report "West German Lands Plane at Kremlin" (May 30):

Many "obscurantists," like myself, must have been wondering in recent days: "Why didn't I think of landing a plane on Red Square?" But then, I always had trouble getting a kite to fly in my native Poland. By contrast, Mathias Rust handed his plane with great skill and, in less time than it takes a Moscow housewife to buy a chunk of sausage, he rocked the boat of Russia's mighty armed forces.

Now, Mikhail Gorbachev has a great opportunity to show that he is a good sport. If the general secretary will not kiss you three times on two cheeks, Mathias, the rest of the world will!

STASH PRUSZYNSKI, Paris.

Had the aviator who reached Red Square carried a nuclear weapon, he could have done tremendous damage. The moral of the incident is that in the nuclear age, national territories, like the castles and walled cities of old, have ceased to be defensible.

Nation-states do not launch nuclear attacks, since they are open to retaliation in kind. Stateless terrorist groups need

have no such inhibitions. The Politburo has every reason for concern, and so have we; for today they that have no territory have the greater strength.

Fortresses became irrelevant once they were no longer defensible. When will nationalists get the message?

ANGUS SIBLEY, Kensington, England.

One small airplane with a friendly pilot lands on Red Square; thousands of aircraft carrying huge quantities of smuggled drugs enter the United States. In both cases, today's high-tech military forces seem unable to intercept simple low-tech devices. Superpower defenses thus can be outwitted by simple means. Think of the trouble if more vulnerable targets than the Kremlin were to be approached by less friendly pilots. . . .

P. VAN DONKELAAR, Essen, Belgium.

This young German who flew his plane to Moscow is now learning the lesson Napoleon and Hitler learned before him: that it is easy to enter Russia — but the problem has always been how to get out.

JIM PRICE, Trieste, Italy.

Pius and the Nazis

The New York Times editorial "Abandoned to Nazi Fate" (May 21) comments: "Much has been said about Pope Pius XII's silence about Nazi war crimes." Yes, but back then The New York Times praised the pope as a "voice crying out from the silence of a continent." He spoke, but his voice was not heard in Germany. Pope Pius XII stilled it only when he realized that to speak further would cost more Jewish lives.

More eloquent than any words were the actions taken by Catholic churchmen, religious orders and lay people who, acting at the direct urging of the pope, saved an estimated (by Jewish historians) 700,000 to 860,000 Jews. To make the point that most of the Western world should be ashamed of the Holocaust, it is not necessary to deny one of the few noble deeds of the era.

ADRIAN J. REIMERS, Schaun, Liechtenstein.

On Postnatal Depression

Regarding the report "New Mother Kills Another's Infant" (May 26):

How can the medical community continue to ignore postnatal depression?

"It's O.K., honey, lots of women get depressed after childbirth; you'll get over it." Why do they lump it together with all other types of depression, trying to solve it with tranquilizers? Why do doctors remain ignorant of progesterone monitoring in the third trimester of pregnancy, which, when detected, can signal the need for progesterone prophylaxis after childbirth? My heart goes out to all concerned in this needless tragedy.

KJIRSTIN YOUNGBERG, Lithoom, Neirlands.

The Moon as Billboard

Regarding the report "A Star, With 'Eiffel Moon' as 'Villain'" (May 23) by Barry James:

A Belgian astronomer fears that a necklace of lights in the sky could lead to stellar hamburger advertisements and mentions that the idea was explored in the 1950s by Arthur C. Clarke. Earlier, and even bolder, the dean of science fiction, Robert A. Heinlein, suggested using graphite-filled rockets to paint the logo of a popular soft drink or worse, the emblem of a political party, on the face of the moon itself ("The Man Who Sold the Moon," 1950).

FRANK LUDWIG GROSSMANN, Milan.

GENERAL NEWS

Britain's Election: A Referendum On Thatcher's 'Popular Capitalism'

By Karen DeYoung, Washington Post Service

LONDON — God sent Margaret Thatcher "from heaven" to care for this country and restore its place in the world, the British tycoon Lord Forte said when the prime minister turned up to open his newest project, a service station on London's M25 beltway.

An alternative view of Mrs. Thatcher came in a Labor Party campaign advertisement lambast-

ing camps composed of the haves and have-nots.

But the way Mrs. Thatcher sees it, the benefits of her programs will filter down to the bottom if she is given a few more years to complete what she has begun.

Polls have shown her support relatively steady at about 43 percent of the electorate — enough to keep her 8 to 10 percentage points ahead of Labor.

If she wins, Mrs. Thatcher, 61, will be the only person in modern times to have won three consecutive terms here. Early in a third term, she would become the longest-serving prime minister in modern British history.

Several of her advisers, and reportedly Mrs. Thatcher herself, believe that her campaign this time has been outclassed by that of Labor and its leader, Neil Kinnock. In part because of security concerns, Mrs. Thatcher's appearances have been largely confined to tours of prosperous factories, politely en-

thusiastic gatherings of the party faithful and staged encounters with selected voters.

Labor's new professional campaign style is in many ways modeled on the Conservatives' successful 1983 race, with carefully planned photo opportunities and appearances on television. Polls show that the Labor campaign has paid off, lifting Mr. Kinnock to at least a respectable second place that will likely enhance his prospects the next time around.

Whatever her perceived sins, or those of her campaign managers, Mrs. Thatcher hardly needs rallies or glad-handing to get her message across. British voters have had a long time to observe both her style and substance. It has become a truism that, while Mrs. Thatcher is not widely liked, she is respected and thought of as a leader for her party and for her country.

The fact that Mrs. Thatcher remains so far ahead is an indication of how steep a climb Mr. Kinnock has had to make to bring Labor and himself back to respectability after the party's disastrous 1983 defeat, of how much the public disapproves of Labor's defense policy of unilateral nuclear disarmament and how compelling Mrs. Thatcher's leadership image is.

Polls have shown that large portions of the public lack confidence in her policies on the central issues of unemployment, public health and education.

The electoral map of 650 parliamentary constituencies starkly illustrates both her electoral strengths and her weaknesses. Colored in by party, virtually all of the most prosperous part of England, south of Birmingham, is Tory blue, surrounding a small flash of Labor red in London's poorer sections.

Broad swaths of red cut across the industrial heartland in the north from Liverpool eastward and from Newcastle westward. Much of the coal-mining area of southern Wales is red, as is a stretch across south-central Scotland from its biggest cities of Glasgow and Edinburgh.

These divisions conform closely to figures indicating the most disadvantaged parts of the country in terms of employment and income.

NEWS ANALYSIS

ing the prime minister's policies on health care. Next to a human heart crudely sculpted out of granite lay a chisel. Mrs. Thatcher, the text read, "has a heart problem."

The fact that both views are widely held here is evidence of the controversial nature of the woman who has governed Britain for the past eight years. Mrs. Thatcher has contended that policies, not personalities, should be the focus of the election on Thursday.

"They are trying to prevent the real issues being discussed," she responded last week to Labor's charge that she is "autocratic" and surrounded by sycophants. But Mrs. Thatcher, and the collection of attitudes and initiatives known as Thatcherism, are increasingly what her Conservative Party is all about. Writ large, it is a blunt, no-nonsense style that brooks little disagreement with her vision of Britain as a "property-owning democracy."

Based on a system of "popular capitalism," it has become a country more like the United States than what Britain has been since World War II — a somewhat sluggish, relatively benign land where the state plays a significant role as public conscience and provider, and collective action is valued above private enterprise.

In practice, it has meant the sale, or denationalization, of state-owned enterprises to those who can buy the shares and the sale of public housing to its occupants, cuts and on trade union power, tax cuts and the belief that government should spend only what it takes in.

Mrs. Thatcher's opponents, both Labor and the third party, the Alliance, made up of the Liberal and Social Democratic parties, charge that her government has divided Britain as never before into two

Healey Denies He Cursed Journalist

Reuters

LONDON — Denis Healey, foreign affairs spokesman for the Labor Party, denied Tuesday that he had used offensive language with a television interviewer and punched one of her colleagues.

Mr. Healey, a former cabinet minister, had been questioned by the interviewer, Anne Diamond, about a newspaper report that his wife had undergone a hip operation in a private hospital. In the campaign for the general election Thursday, Labor has criticized Prime Minister Margaret Thatcher for defending the right to pay for private hospital care.

Mr. Healey contended that the article in The Sun newspaper was two years old, and he accused Mrs. Diamond of "dirty tricks." But in a later interview with the Evening Standard he contradicted statements by witnesses in the studio of the independent TV-AM channel that while he was not on the air he swore at Mrs. Diamond and punched a TV-AM editor, Adam Boulton.

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DEATH NOTICE

Marianne WATTS DeWOLF Wife of Captain M.M. DeWolf USN, Retired. Died June 1 at her home, Casa del Molina Viejo, El Cuartón, Terraza, Province of Cadiz, Spain. Phone number: 34-56-684-027.

# Leftist Politician Wounded in Manila

By Keith B. Richburg  
*Washington Post Service*

MANILA — Bernabe Buscayno, a former Communist guerrilla leader who has emerged as a prominent leftist politician, has been shot and wounded slightly in an ambush.

A television cameraman was killed in the attack late Monday night in a Manila suburb, and three of Mr. Buscayno's aides were wounded.

The ambush came as Mr. Buscayno, widely known as Commander Dante in his years as leader of the outlawed New People's Army, was leaving a television studio after appearing as a guest on a talk show.

Witnesses said several gunmen wearing combat fatigues and riding in a jeep and on two motorcycles opened fire on Mr. Buscayno's car with pistols and automatic weapons.

"I ducked," he later told a radio interviewer. "There were a lot of shots, automatic and single shots." Mr. Buscayno's back was grazed by a bullet. His three aides were said to be in critical condition.

Mr. Buscayno, an unsuccessful candidate in the recent Senate elections, is perhaps the best-known political figure of the above-ground leftist movement. The attack on him came a day after the New People's Army called a news conference to claim responsibility for six assassinations of top-ranking law enforcement officials in metropolitan Manila.

More than a dozen lawmen have been shot in Manila in recent days by Communist guerrillas known as "sparrows." Almost 50 Manila police officers, soldiers and law enforcement officials have been assassinated since the beginning of the year.

The attack on Mr. Buscayno raised speculation that rightists were retaliating for the police killings. Leftist leaders, in a news conference, blamed the military.

Many senior military officials have expressed fears that the political party Mr. Buscayno formed after his release from prison last year under a presidential amnesty is a front for the Communists.



**VIOLENCE AT A SEOUL CAMPUS** — Students at Yonsei University ran for cover Tuesday as riot policemen fired tear gas at them during a demonstration. The National Coalition for a Democratic Constitution, a new alliance of opposition politicians, religious leaders and human rights activists, scheduled a rally on Wednesday against the government. Policemen were put on alert and more than 3,000 people were arrested.

# Sri Lanka Drive May Bolster Rebels, Tamil Moderate Says

By Barbara Crossette  
*New York Times Service*

COLOMBO, Sri Lanka — The Sri Lankan Army has had major successes in its offensive against the strongest Tamil guerrilla group, but the army attack may have generated increased political support for the guerrilla cause, according to a moderate Tamil leader.

"The government's final offensive in Jaffna has shattered the prospects of ethnic reconciliation in the near future," Neelan Tiruchelvam, a negotiator for the moderate Tamil United Liberation Front, said Monday.

He described the Sri Lankan drive, which began two weeks ago and is still continuing, as "a humiliation that will leave emotional and psychological scars" on all Tamils. On Monday, there were reports that Tamil civilians were again fleeing the Jaffna area in the north, fearing another assault.

In barely two weeks, the Sri Lankan Army has scored some major successes in Jaffna against the Liberation Tigers of Tamil Eelam, the most intransigent of the guerrilla groups.

Officials said the army has recaptured about 60 percent of the peninsula, on the northern tip of Sri Lanka. Last week Indian transport planes with fighter escorts dropped food parcels over the Jaffna peninsula, causing protests from the Sri Lankan government.

Mr. Tiruchelvam said talks about a political solution to end Tamil calls for independence would have to wait until the issue of the Indian intrusion was settled to Sri Lanka's satisfaction. India had been acting as an intermediary between the Sri Lankan government of President Junius R. Jayawardene and the Tamil separatist organizations, all of whom are based in India.

As people move south from Jaffna, bringing more accounts of fighting, Tamils in Colombo who had earlier minimized inflated casualty figures appearing in India are now saying that there may have been between 200 and 500 civilian deaths, with only about 50 guerrillas killed; and that a thousand or more noncombatants may have been wounded.

But the political costs have been high, according to Mr. Tiruchelvam, a Harvard-educated lawyer and author. The Tigers, who had been considered a major obstacle to peace talks, called leaders of the Tamil United Liberation Front "traitors" for negotiating with the government for autonomy but not independence. The Tigers lost support even among other armed separatists for their violent tactics.

Now, however, there may be more sympathy for their cause, Mr. Tiruchelvam said, and they may be able to fight a long guerrilla war against troops trying to hold the territory they have just retaken.

**Haiti Gets Order on Artwork**  
*Washington Post Service*

WASHINGTON — Haiti obtained a court order on Monday to hold seven crates of rare Haitian art purchased with funds allegedly stolen by Jean-Claude Duvalier, deposed president of Haiti, and his associates.

# Animal Rights, Fears of 'Human Husbandry' Complicate Debate on Biotechnology

By Philip M. Boffey  
*New York Times Service*

WASHINGTON — The dispute over patenting of animals created in the laboratory, the latest twist in a debate that has occupied scientists, ethicists, religious leaders and environmentalists for two decades, has served as a catalyst for the formation of a loose coalition opposed to the further use of genetic engineering in animal husbandry.

From a small group centered around Jeremy Rifkin, a Washington activist who is the United States' most vocal opponent of biotechnology, the coalition has grown to embrace an expanding circle of critics who fear that the human race is moving too fast toward meddling with nature in improper, dangerous or immoral ways.

The coalition includes groups not normally associated with opposition to genetic engineering: farmer organizations, which see genetic engineering as yet another in long line of technologies that favor large corporate farms over small farms; and animal rights groups, which see as the ultimate insult to the integrity of animals.

The critics, however, are opposed by many of the nation's most prominent scientists, ethicists and industrial leaders, who see little danger and much promise in these fast-paced advances.

Scientists are nowhere near the ability to create life from inanimate materials.

They must start with the genetic material of living organisms and apply the techniques of genetic engineering to that material.

Their goals range from replacing or repairing a defective gene that causes illness in humans to introducing a gene that will implant a new characteristic, such as faster growth, in a farm animal.

Thus far only the simplest such gene modifications, such as removing or adding a single gene, are being attempted. Experimentation with multiple genes that govern such complex characteristics as intelligence are far too difficult for present methods.

Still, according to some opponents, the U.S. Patent Office's decision in April to allow the patenting of higher life forms such as mammals could reduce the animal kingdom to the status of a commercial sector with products that can be tinkered with, redesigned and produced en masse at the whim of the biotechnology industry.

Dr. Michael Fox, scientific director of the Humane Society of the United States, called it "very frightening" to

treating animals as "simply assemblies of genes" that can be manipulated at will.

"It's our feeling that the inherent nature of an animal needs to be respected," said Dr. Fox, who is a veterinarian.

He also said, however, that he "endorsed completely" the genetic engineering of microorganisms that can produce biological compounds, such as hormones and enzymes needed in medicine.

Such microorganisms, now produced in the biotechnology and pharmaceutical industries, are very simple things, he said, "not sentient." Similarly, he added, plants, which have long been patented, raise no major ethical issue.

When genetic engineering involves animals, he argued, "it hits closer to home."

"Animals are sentient beings that can suffer," he said. "It's an ethical question of a different order of magnitude."

To Alexander M. Capron, professor of law at the University of Southern California and former executive director of a presidential commission that studied ethical problems related to medical uses of genetic engineering, such talk is little more than "crying wolf" over trivial issues.

"Nothing gives me cause for alarm about the patenting of life," Mr. Capron said. "The scare words 'patenting of life' and 'creating life in the laboratory' are just that, scare words. They make it sound like very radical things are going

on when in fact very simple things are being done."

Lurking behind the debate over genetic alteration of animals is a deep fear on the part of a few scientists and ethicists over the possibility of manipulating the human genetic blueprint in ways that might be deemed improper.

"We do not know what life is, and yet we manipulate it as if it were an inorganic salt solution," complained Dr. Erwin Chargaff, emeritus professor of biochemistry at the Columbia University medical school, recently in the scientific journal *Nature*.

"A new era has begun," he wrote, in which "science is now the craft of the manipulation, modification, substitution and deflection of the forces of nature." Science, he warned, is headed toward "human husbandry" in which human embryos will be mass produced for experimental purposes.

"What I see coming is a gigantic slaughterhouse, a molecular Auschwitz, in which valuable enzymes, hormones and so on will be extracted instead of gold teeth," Dr. Chargaff added.

Dr. John C. Fletcher, chief of the bioethics program at the Clinical Center of the National Institutes of Health, said: "The Patent Office decision does raise very interesting questions in terms of being a possible precedent for human genetic experimentation."

He stressed that he was presenting his personal views, not those of his agency.

Dr. Fletcher, who has no objection to genetic alteration of animals, said strict lines must be drawn governing the use of genetic engineering on humans.

Although humans have long used classical breeding techniques to produce new strains of plants and animals, and have tinkered to the extent of crossbreeding donkeys and horses to get mules, such achievements are carried out within the bounds of what nature will allow, said Mr. Rifkin, the Washington anti-biotechnology activist.

Genetic engineering, he argued, allows the creation of life forms never observed in nature, as when tobacco plants are made to glow with the insertion of firefly genes, "raising questions as to whether we are violating in some profound way the notion of species identity."

Mr. Rifkin said he particularly opposed the transfer of genes from one species of animal to another in ways that do not occur in nature.

Many leading ethicists believe the concerns raised about the patenting of animal life are overblown and will attract little public support once the issues are understood.

They note that similar concerns over "patenting life" were voiced in 1980 when the Supreme Court ruled that a

genetically engineered microbe designed to eat oil for pollution control could be patented. After a flurry of debate, that issue quickly receded from view.

When the technique known as gene splicing was invented in the early 1970s, the prime worry was that scientists might inadvertently create an "Andromeda strain," a microbe that could escape from the laboratory and kill vast numbers of humans who would have no natural defenses against it. That nightmare has not materialized.

No sooner had that fear abated than concerns were raised about environmental damage from plans to test genetically modified organisms in the open air. This time the fear was that a genetically engineered microbe or plant, with no natural enemies, might spread out of control.

The first open-air experiments with genetically altered microbes started April 24 on a strawberry field in California's Central Valley; they were completed this week.

The researchers are seeking to protect plants from frost damage by spraying them with bacteria whose genes have been modified to discourage the formation of ice. The experiments were de-

layed for years by strong environmental opposition, by a lawsuit filed by Mr. Rifkin and by technical problems.

No environmental damage has been reported so far at the test site. Even many critics acknowledge that these experiments, which involved reinserting a single gene from the genetic material of the natural microbes, posed little danger.

But critics expressed concern that future experiments, if not carefully regulated, might unleash more dangerous organisms.

Since none of the predicted catastrophes has materialized, much of the steam appears to have gone out of the debates over genetic engineering.

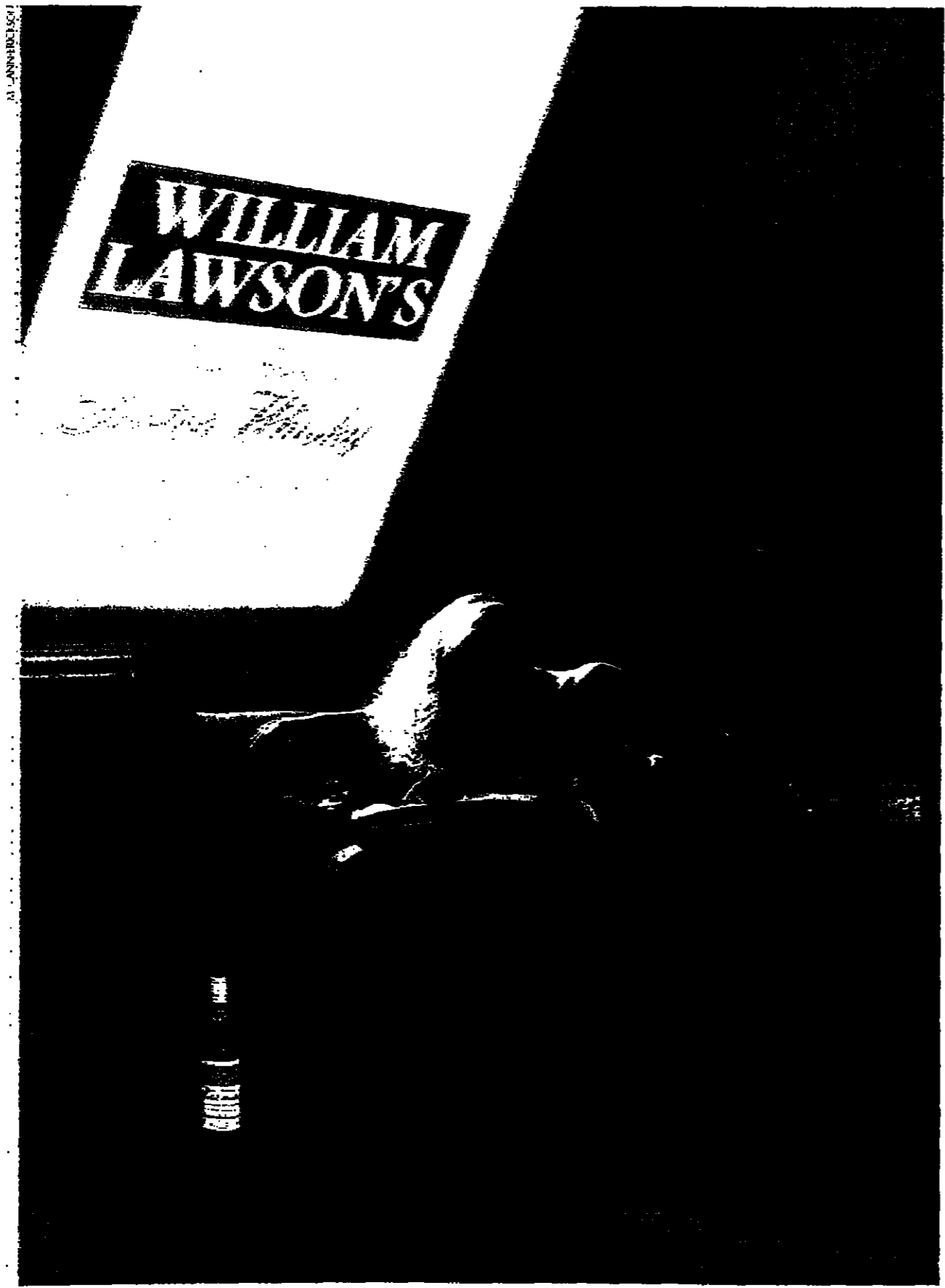
"The debate has cooled down considerably, for the obvious reason that nothing harmful has happened," said Daniel Callahan, director of The Hastings Center in Hastings-on-Hudson, New York, an institute devoted to the ethical and social implications of the life sciences.

"It's very hard to sustain a great deal of worry about these things," he said, "when, after 10 years of pretty constant interest and attention, there have been no untoward events."

He noted that some critics say it could be 10, 20, even 30 years before it is known whether the advancing biotechnologies are really safe. "That's perfectly true," he added. "But all we can do is wait."

## Genetic Engineering New Hopes and Fears

Second of a series



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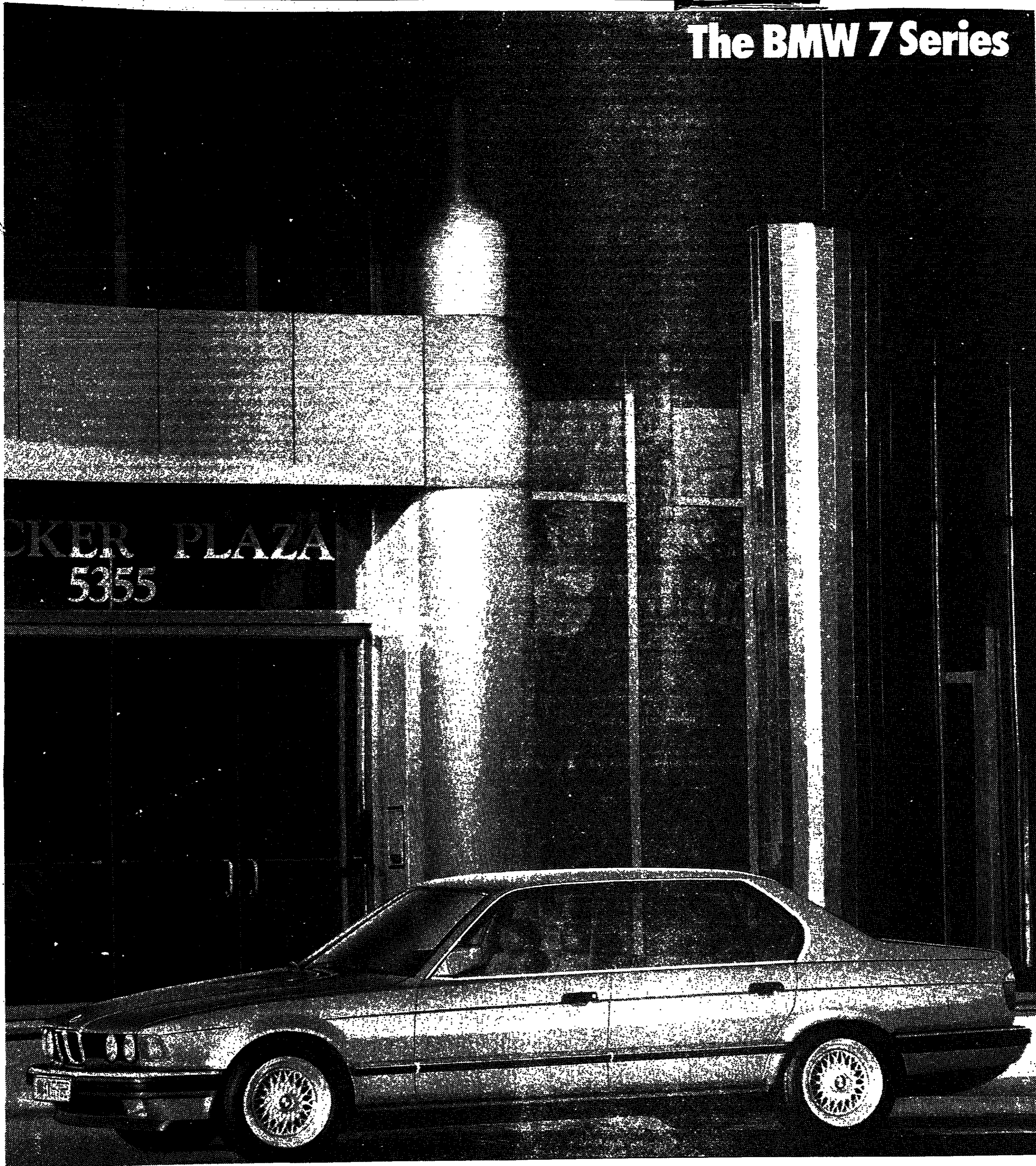
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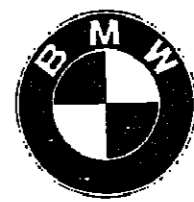
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# AIDS Bringing Swift Change to U.S. Arts, Medical Worlds

## Anxiety, Fear of Contagion Spreading Among Physicians

By Lawrence K. Altman  
*New York Times Service*

WASHINGTON — The AIDS epidemic is having a draining and emotional impact on doctors, forcing some hospitals to develop special programs to help physicians cope. Other hospitals are being urged to recognize this new facet of the AIDS problem and develop similar programs.

Young doctors in training who treat many AIDS patients have nightmares, are becoming preoccupied with the fear of getting the fatal disease, are imagining they have become infected with the virus, and are reporting other forms of marked anxiety.

These observations come from questionnaires answered by doctors in training at hospitals in New York and San Francisco in studies to assess distress from treating patients with acquired immune deficiency syndrome.

Although the studies were not intended to measure the effect, if any, that the doctors' stress has on their care of both AIDS patients and other patients, the overwhelming majority of the doctors studied said they believed their anxieties about AIDS did not adversely affect patient care.

The authors of the reports, presented last week in Washington at the Third International Conference on AIDS, called for more studies to measure the effects on doctors, on other health care workers and on patient care.

The two studies did not include nurses and other health care workers. But many AIDS experts believe the stress of caring for so many people dying in the prime of life is producing similar emotional stresses in these workers, too.

A fourth of the 258 doctors surveyed in the New York study said they believed it was not unethical to refuse to care for people infected with the AIDS virus.

This is a surprising and disturbing challenge to the longstanding tradition that doctors will render care to those in need, and, if necessary, risk their lives to do so. That credo has contributed in a major way to the prestige of the profession.

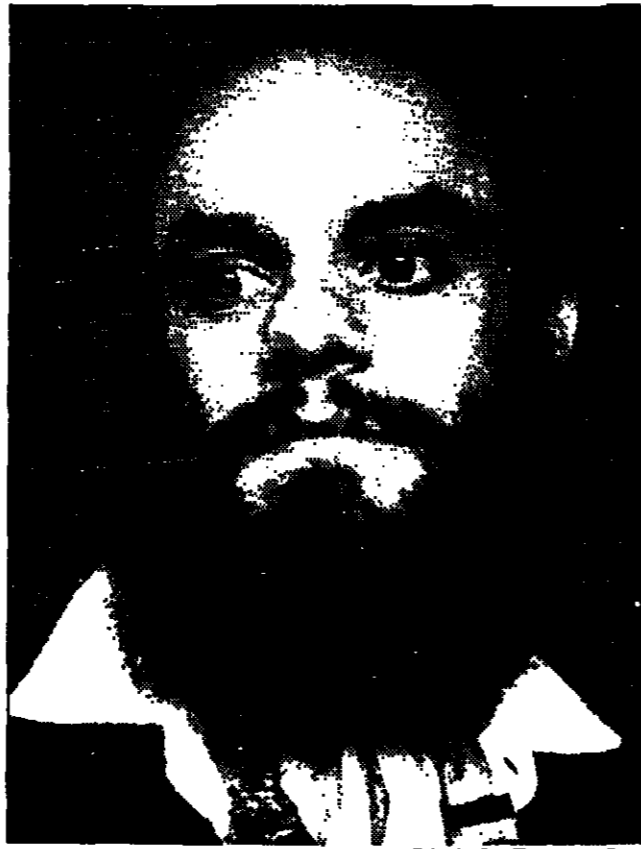
"The view that doctors may refuse care to patients appears to undermine the tacit social contract that has long existed between physicians and their communities," Dr. R. Nathan Link, who headed the team doing the study, told the AIDS conference.

"Whether these views reflect trends that will compromise the level of medical care that will be available to AIDS patients remains undetermined," he said.

Some participants in the conference said the reluctance expressed by the young doctors reflected a failure by medical schools to teach the traditions of the profession.

The questionnaires did not ask the respondents to explain their anxieties. But the authors and those working with AIDS patients have offered many explanations, including these:

- Physicians are frustrated by their inability to offer a cure for AIDS. Today's medical students are accustomed to being able to cure and treat effectively many life-threatening diseases that once killed patients of their older colleagues.
- Most doctors in training are young adults from the same generation as many AIDS patients. Identifying with young AIDS victims, the physicians find it difficult to confront their own mortality.
- The AIDS-related emotional problems in health care workers are especially serious because the epidemic is sure to get worse before it gets better. Public Health Service officials have predicted that by the end of 1991, AIDS will have struck 270,000 Americans. So far, 36,000 cases have been reported in the United States.
- Health care workers have a very small but real occupational risk of becoming infected with the AIDS virus. Sixty-six of the doctors had stuck themselves a total of 95 times with a needle contaminated with blood from an AIDS patient.
- Most doctors said they thought about the risk of developing AIDS at least once a month, but 40 percent said they thought about the risk at least weekly, and 9 percent every day. About half the doctors examined themselves for swollen lymph nodes and other evidence of AIDS.



Charles Ludlam, who died of AIDS, playing Bluebeard.

## Paintings, Plays and Songs Show Influence of Epidemic

By Jeremy Gerard  
*New York Times Service*

NEW YORK — AIDS, which is increasingly causing death and illness in the worlds of art and entertainment, is having a strong effect on the substance and spirit of creativity.

More and more imaginative work is being shaped by the epidemic—from paintings on display in the Whitney Biennial art exhibition, to plays such as Alan Bowne's "Beirut," opening Off Broadway on Thursday, to pop songs such as Cyndi Lauper's latest single, "Boy Blue," which the singer says was written for a friend who died.

The disease has also brought on a sense of despair that can be felt throughout the arts community.

Two weeks ago, a major component of this summer's Free Shakespeare in Central Park series was aborted because of the illness of the director, Charles Ludlam. Mr. Ludlam died on May 28 from complications of AIDS.

Many other AIDS-related deaths go unreported as such because of the stigma that is just now beginning to fade.

Beverly Sills, general director of the New York City Opera, said that two dozen City Opera personnel, including singers, musicians, and support staff, had died in recent months and that she had delivered 10 eulogies for AIDS victims in that time.

Joseph Papp, producer of the New York Shakespeare Festival, commented: "I have had so many people around me dying of this, I don't even want to talk about it. It's too painful. And the last thing I want is to have me and my friends exploited by this situation."

"So many people have been directly involved that it has affected our social mood," said Lisa Philips, a curator who worked on the Biennial at the Whitney Museum. "It's difficult to identify specifics, but the kind of art that's being made seems to me to go back to the turn-of-the-century feeling of closure or impending doom."

"We realize we are losing, first of all, friends," said Colleen DeWurst, an actor who is also president of the Actors' Equity Association, the union of professional actors and stage managers. "But then, too, we are losing some of the great creative minds and some of the coming creative minds."

The impact of AIDS can be discerned in the work not accomplished, as well as in obituaries. Michael Bennett, one of the most influential Broadway directors and choreographers of his generation, withdrew as director of the musical "Chess" in 1986, when he was stricken with the illness. He has been in Tucson, Arizona, since December, battling the disease that has prevented him from working for more than 18 months.

But the list of the dead in the arts has its own special impact. It includes, to name only a few, Paul Jacobs, a classical pianist; Bruce Savan, a theatrical agent; David Summers, an actor and singer who was active in political issues related to AIDS; Robert Jacobson, the editor of Opera News magazine; David Hicks, a New York City Opera and stage director and teacher; Bill Tynes, founder of the New Amsterdam Theater Company; Charles Ward, a former dancer with American Ballet Theater; the pianist and



Nancy Reagan with the baby of a former drug addict.

## U.S. Spells Out Measures to Curb Virus

By Robert Pear  
*New York Times Service*

WASHINGTON — In the first stage of President Ronald Reagan's new plan to combat the AIDS epidemic, Attorney General Edwin Meese III has announced details of programs to test federal prisoners and candidates for immigration for infection with the AIDS virus.

The programs were immediately criticized by civil libertarians, including advocates of homosexual rights.

They said the testing would be ineffective in curbing the spread of the virus and might set a precedent for mandatory testing of other groups.

At a news conference Monday, Mr. Meese announced that he had directed the Immigration and Naturalization Service to develop a program to test all immigrants, refugees, and illegal aliens applying for legal status to see if they had been infected with the AIDS virus.

"Those who test positive will be denied entry to the United States or legalized residency, as the case may be," he said.

Starting now, Mr. Meese said, all people sentenced to federal prisons

will be tested for the virus when they enter an institution or finish serving time behind bars.

Testing is already required for military recruits and active-duty personnel, Foreign Service officers, blood donors, and applicants for certain Labor Department programs run by the Job Corps.

Mr. Meese gave these details of the new testing programs:

- An alien who applies for an immigrant visa overseas will be informed if he or she tests positive. But foreign governments will generally not be told of the test results. Mandatory testing of aliens will not begin for at least a month.
- An illegal alien who tests positive will be ineligible for legal status, or amnesty, under the new immigration law.
- Federal prison inmates who have AIDS or antibodies indicating infection with the virus will receive counseling and medical care in prison.
- Federal inmates will be tested in the 30 days before they are released from prison. Federal probation officers will be notified if the test results are positive.
- Mr. Meese said he did not know what probation officers would do with such information. But he said that it might be inappropriate for former inmates with AIDS to hold certain types of employment, such as jobs in a day care center.
- The testing of aliens will be done under a law that requires every alien applying for an immigrant visa to undergo a physical examination. The authority for testing prisoners, though less clear, is apparently the government's constitutional obligation to provide adequate medical care to inmates.
- Acquired immune deficiency syndrome, or AIDS, cripples the body's immune system, leaving victims susceptible to fatal infections and cancers. It is caused by a virus that spreads through sexual intercourse with an infected partner or exchanges of blood, such as in shared hypodermic syringes.

Urvasi Vaid, a lawyer with the National Gay and Lesbian Task Force, a homosexual rights organization, said, "In the context of an overcrowded prison system, the testing program is going to be unworkable and impossible."

Alvin J. Bronstein, executive director of the National Prison Project of the American Civil Liberties Union, said he believed it would be unconstitutional if the United States Parole Commission, began considering whether an inmate had AIDS or antibodies to the virus in deciding whether to grant, deny, or revoke parole.

However, Mr. Meese said, "One of the factors on when people leave prison on parole certainly has to do with whether they are a danger to the community."

He declined to lay down any general rules for parole decisions affecting people with AIDS, saying that each case would have to be judged individually.

## Mrs. Reagan, in Sweden, Visits Addicted Mothers

STOCKHOLM — Nancy Reagan, on a trip marked by anti-American protests, cuddled babies at a home for drug-addicted young mothers on Tuesday.

Earlier in the day, she met with the widow of Olof Palme, the Swedish prime minister who was assassinated last year.

Mrs. Reagan, the wife of President Ronald Reagan, sat with eight patients and therapists at the home and told the group that motherhood could motivate women to stop using drugs.

Later, the police held back about 50 demonstrators, chanting "Nancy, go home" and "Viva Nicaragua," as Mrs. Reagan attended a Lions International gathering against drugs.

Ninety demonstrators were arrested after clashes Monday night between the police and stone-throwing protesters outside the hotel where Mrs. Reagan is staying during her three-day visit. All were later released but many may face charges, the police said.

After a 30-minute meeting with Lisbet Palme, whose husband was slain in February 1986, Mrs. Reagan said: "I told her I had had a similar experience, although of course not as bad."

In 1981, Mr. Reagan was wounded in an assassination attempt.

The Palmes were walking home unguarded through central Stockholm when an assassin gunned down the prime minister from behind. Mrs. Palme was grazed by a second bullet.

Mrs. Reagan said she and Mrs. Palme had also talked about children. Mrs. Palme, a child psychologist who has three sons, is active in the Swedish branch of the United Nations Children's Fund. Mrs. Reagan's campaign against drug abuse is directed especially at young people.

She said she and Mrs. Palme got along well. They met in an antechamber to the office of Mr. Palme's successor, Ingvar Carlsson. Mr. Palme, a Social Democrat, took a strong anti-American stand during the Vietnam War and was never invited to the White House.

In September, Mr. Carlsson is scheduled to make his first visit to the White House by a Swedish head of government in 25 years.

Mrs. Reagan also met Tuesday with Mr. Carlsson. She flew to Sweden on Monday from Venice, where her husband is attending the summit meeting of leaders of the seven leading industrial democracies.

The Swedish police have mounted a major security operation for Mrs. Reagan's visit. She is using a bullet-proof limousine that was flown to Stockholm for her.

## U.S. Health Costs To Triple by 2000

WASHINGTON Post Service

WASHINGTON — The cost of health care in the United States, which now accounts for 10.9 percent of the nation's output of goods and services, will take 15 percent of gross national product by the turn of the century, according to a new U.S. report.

The report said the steep increase will be driven largely by America's willingness to devote a growing share of its national income to health care and by its reliance on costly new medical technologies.

The nation's overall medical costs will more than triple by the year 2000, from a current \$458 billion to \$1.5 trillion, according to the report, about to be released by the Department of Health and Human Services.

## California Tax Activist Is Suffering From AIDS

SACRAMENTO, California — Paul Gann, co-author of Proposition 13, the sweeping California tax-reform measure of 1978, is suffering from AIDS. Mr. Gann contracted the virus in 1982 from blood transfusions received during open-heart surgery, according to a political aide and a hospital spokesman.

Mr. Gann, who will be 75 years old on Friday, scheduled a news conference Tuesday to discuss acquired immune deficiency syndrome and his plans for a political campaign against it.

## U.S. Court Resolves Property Issue

WASHINGTON — The Supreme Court, in a case of great importance to local zoning officials, ruled Tuesday that property owners must be compensated when new restrictions are placed, even temporarily, on the use of their land.

By a 6-3 vote, the court ruled that just compensation required by the Fifth Amendment of the Constitution for any taking of private property for public use applies to zoning laws or other regulations that impose new limits on an owner's land use.

The decision was sparked by a dispute in which a California church was seeking compensation from Los Angeles County when it prohibited the reconstruction of campground buildings destroyed in a fire and flood.

## AMERICAN TOPICS



DUCH TRADITION AT WORK — Dressed in Dutch traditional costumes, the young and old join hands in scrubbing the streets during a festival in Pella, Iowa.

## Imaginative Penalties For Polluters in L.A.

Corporate polluters are penalized with more than just fines and jail terms in Los Angeles, The New York Times reports. The Atlantic Richfield Co., under pressure from the county district attorney's office, has set up a \$450,000 scholarship in environmental studies after pleading no contest to charges that it dumped oily waste water and sludge from a refinery into a municipal water treatment plant.

The district attorney, Ira Reiner, said he hoped the innovative settlement, setting up the scholarship at the University of California, Los Angeles, would serve as an example.

In the past, Mr. Reiner has ordered companies to run newspaper advertisements acknowledging guilt and urging others not to make the same mistake.

The American Caster Corp., for example, ran a full-page advertisement in the Los Angeles Times stating: "The illegal disposal of toxic waste will result in jail. We should know. We got caught." The ad noted that the company's president and vice president were serving jail terms.

"We want people in board rooms to take these laws seriously," Mr. Reiner said.

## Short Takes

The shortage of airline pilots has become chronic, with the pool of military pilots shrinking while air travel booms with deregulation. Pilots recruited after the Korean War are now reaching the retirement age of 60. The upshot, predicts the Los Angeles Times, is that the double pay scale, one for veteran pilots and one for newly hired ones, will be modified or even discarded altogether.

Some subjects do better on television than in movie theaters, says Sherry Lansing, former president of 20th-Century Fox and now an independent television producer. She said her chief reason for going into TV was to tackle some subjects that would never be commercially viable in theaters, like her current project on mercy killing. "People seem willing to watch movies about certain subjects at home that they will not go out to see in a theater," Ms. Lansing said. "The Day After" is a perfect example. It drew a huge audience on television. "Testament" was a very well-made theatrical film about the same subject of nuclear war, but no one went to see it."

A brochure advertising tourist trips to Vietnam was inadvertently sent to Senator John S. McCain

## Shorter Takes: Americans change dwellings, on the average, about 11 times in their lives, according to the U.S. Census Bureau.

• The average salary for the 2.2 million U.S. public school teachers is now \$26,704, according to the National Education Association.

Overheard at a Manhattan bookstore by Shel Klausner, a New York Times reader, was this conversation:  
Customer: Do you have a copy of "Let Me Die Before I Wake"?  
Clerk: I'm not familiar with it. What's it about?  
Customer: It's about how to commit suicide.  
Clerk: I'm not sure, but you might try looking in the self-improvement section.

—ARTHUR HICBEE

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# ELECTRONIC PUBLISHING

## THE PRINT OF THE FUTURE

THE BIGGEST BREAKTHROUGH IN OFFICE COMMUNICATIONS SINCE THE PHOTOCOPIER

Taken separately, such key information technologies as laser printing, intelligent character recognition, networking, and document processing have all made impressive strides in recent years. Taken together — and this is where electronic publishing really takes off — they create a powerful mix that few large companies can afford to ignore in the coming years. The printed page, once thought on its way out, is looking better every day.

It used to be that when a company put information into a computer, what came back was print-out, not print. The number-crunchers spewed out endless piles of lifeless perforated pages that were as hard to read as they were hard to store. Nothing that

would impress a quality-conscious client or a budget-conscious director of communications. Then along came the laser printer in the early 80s and suddenly companies were capable of merging high-quality text, data and images onto pa-

per at incredible speeds. The best systems today can print 120 pages a minute with a resolution of 90,000 dots per square inch. It took such a quantum leap in speed, quality and flexibility for electronic publishing to be born and companies are just now beginning to realize

what this means for their communication policies and budgets.

"The system was an opportunity to provide top quality print and save money at the same time," says Marilyn Smith, a senior programming consultant with Allied Dunbar, one of the European leaders in financial services management. Before the company installed its laser printers, it was using over 50 different types of pre-printed stationery and over 600 different forms. Now that figure has shrunk to 10 or so, and these are printed directly onto plain or letter-head paper. Savings: £10,000 (U.S. \$16,400) per month on stationery costs alone.

Another firm in the financial sector has been using lasers for electronic publishing since 1981. "I hate to think where we'd be without them," says Paul Condy, the project leader at Sunlife. The company's first printer has produced 75 million pages to date, all the while integrating digitized logos, signatures and specialized fonts into policy documents and direct mail brochures.

In Dallas, a major clearing house estimates that the bank is saving over \$200,000 a year by reducing external print costs. Not only does it save massive sums on paper work; it derives security benefits as well. "Before we converted to electronic publishing," explains John

Gala, senior vice-president of the operations group, "three people had to be present when checks were printed. Today, the only checks we keep in stock are blank sheets of paper. Nothing exists until it is printed."

Electronic publishing has been a welcome relief to many information-intensive companies. Some seek to cut in-house publishing costs, while others are looking for greater control, flexibility or potential.

"The technology is available for a certain sector of the market and for that it's perfect," says John Enkles, who runs an electronic publishing agency within the Robert Maxwell empire. BPCC Graphics produces

print to order for a variety of clients, from documentation for Rolls Royce aero-engines to annual reports and direct mail for financial institutions.

Mitel Telecom, a leading manufacturer of private telephone exchanges (PABXs), uses electronic publishing to produce its own technical manuals and user guides. "We got into it early in a very big way," explains Alex van de Heijden. A telecommunications link ties his office in England to the corporate headquarters in Canada and a third printing site in Florida so images and text can be transmitted across the Atlantic, assembled, edited and printed at will. At Landrover, the company's aim is to take illus-

trations directly from the engineer's design workstations and incorporate them into manuals and handbooks.

General Motors as well serves a world market, so it uses a networked printing system to ensure that international vehicle regulations are kept up-to-date. John Szydowski, who supervises the operation, says, "Without electronic publishing it took at least six months

See ELECTRONIC, Next Page

## An Unprocessed Word with the Director

ROLAND Magnin is an international businessman. As the French managing director of an Anglo-American company, he is responsible for the operations of the Rank Xerox group in 80 countries throughout the world. In April 1986, he was appointed chief executive officer (CEO) as well. The following interview was conducted at the company's headquarters in Marlow, Buckinghamshire.

**IHT: Could you begin by explaining the relationship between your company and its parent organization, the Xerox Corporation?**

Roland Magnin: Xerox has a majority with 51 percent of the shares. The minority holding is very important with 49 percent of the shares, so Rank Xerox has its own identity. It could never be considered as totally Xerox's. Obviously, the products come from Xerox and the management is coordinated, but we are not a 100 percent owned subsidiary of Xerox. We are an American-British company.

**When you became managing director four years ago, what were the major problems you faced? And how successful do you feel you've been in solving them?**

The major problem I had was the profitability of the company. For several years we suffered very much because of adverse rates of exchange against the dollar. Fortunately, we have been able to reverse the trend and to increase the profitability of Rank Xerox every year — I would not say in a spectacular way — but in a realistic way.

**I believe 30 percent over the last three years is the figure that's quoted.**

I think the figures should be more than 30 percent because we have made some adjustment

due to companies we sold in the meantime. In theory, I think they should normally be between 10 and 20 percent per year. At the very least, 1987 should confirm this trend.

**What effect are the business systems and the publishing systems having on that?**

Most of our profitability still stems from copiers and duplicators. Fairly recently we also moved into systems that place a huge emphasis on centralized electronic printing where, today, we are undoubtedly the market leader. We have also acquired typewriters. I cannot say that publishing has had a significant impact on the business yet; it is just starting. At the beginning of the year we launched the Documenter desktop publishing system. We are also introducing the XPS 701 publishing systems. These will make a significant contribution to our activities in terms of growth. We are absolutely convinced that publishing is a huge potential market. We also believe that we are the right company for this market — it is our vocation. We have moved from copiers and duplicators to electronic printing and now, it seems to me, it's perfectly normal for Xerox and Rank Xerox to be doing document publishing.

**Would you say that's one of the unique advantages that Xerox can offer compared to traditional data processing companies — a difference of background?**

I don't think it's an advantage, I think it's different. We tend to know more about documenting than our competitors. Data processing involves moving data; document publishing involves the office environment — knowing what is required at the office level. It's not only moving data, it's knowing what

the users need in terms of information and how we move the information, how we create graphics and how we communicate information. All of that has only been covered by data processing in the past.

**Is that what you call document processing?**

Yes, that's what we call document processing. In fact it's — if I can summarize — it's information creation and information storage, filing, retrieval and distribution.



Roland Magnin, managing director of Rank Xerox Limited.

**Could you define the difference between desktop publishing and electronic publishing?**

Desktop publishing, as we define it, is used only in the office environment. Electronic publishing is more often used in a central reprographic environment for producing huge volumes of work.

**You'll be speaking at the European Corporate Electronic Publishing Conference in Frankfurt. How do you think people will benefit by attending the event?**

Document publishing, document management... a different kind of terminology is being used in the publishing market today. This conference should contribute to a better understanding of the subject. Not merely for specialists — the terminology is less important for them because they already know what they are talking about. I'm talking in terms of the customer. For instance, with desktop publishing, we already see the interest that Documenter is creating in every country. Our customers are very excited, and those who buy the product are very happy. But it takes quite a long time to demonstrate the product and convince people to buy it because it's new. They don't know exactly how to use it. I hope that this conference will help to broaden their understanding.

**I see a screen by your desk. Do you use the system?**

Oh yes, I do.

**That's quite unusual.**

No, so do most of the executives in Rank Xerox and in Xerox too. The chairman of Xerox has his own 6085.

**One author who researched over a hundred companies in the computer industry noticed that very few CEOs seem to use them in their own offices.**

The advantage of this one is it runs by itself. It does help to understand your customer better.

**So in one sense, as the CEO, do you see yourself as a customer of the company as well?**

That's right. Using it helps to understand the possibilities and the restrictions of this technology better. To see what the customer requires and what he doesn't.

**Do you feel a comparative**

**newcomer to this type of problem?**

You are talking of Xerox and Rank Xerox as newcomers? We are certainly not newcomers to document creation and manipulation, we were amongst the first. When we introduced xerography it was the first step... such things had never been seen before.

**How do you see your business developing over the next three years?**

I think we'll continue to slightly develop our basic business, which is still the copier/duplicator area, but we'll move further towards electronic printing, desktop publishing. It seems to me it's a progressive move which will progressively decrease the importance of the copier/duplicator business in Rank Xerox. We now have the basic technology for data creation and reproduction, for networks, filing and scanning. Obviously, in coming years, we shall make further, significant investments in scanning and filing.

**Is this an aspect of document processing?**

It is, because we need to store more and more information. To work with images and not just data we need scanning. And scanning with a better definition than we're currently used to.

**Having gotten that far, won't you need intelligent software to find your files?**

This is another area we are already working in. I think artificial intelligence (AI) could make information easier to access and use.

**Is that a technology you've been developing over a number of years?**

I think we were one of the first to work on AI. We've been working on it now for ten years.



The new XPS 701 production publishing system from Rank Xerox is used for the design, composition and production of large technical and business documents.

## Rank Xerox: From Page Copying to Document Processing

FOR those who have followed Rank Xerox from the beginning, the king of copiers is fast forging a new, dynamic image for itself that, though faithful to the original, is perhaps better thought of as "enhanced." More an embellishment than a simple copy. And three recent milestones are there to prove it: last month the one millionth Xerox electronic typewriter was put on the market; sales of Rank Xerox's office systems increased in 1986 by 50 percent over 1985; and, also last year, a separate electronic printing division (EPD) was established within the company.

These breakthroughs signal a significant but coherent shift in definition. The company's name has traditionally been listed three times in the dictionary — as a trademark, a noun and a verb, all linked to a single activity. Today, however, its trademark is information, the noun is office and the verb is publishing.

With over 30,000 staff, revenues approaching £2 billion (\$3.28 billion) and a 30 percent rise in profits since 1983, Rank Xerox is meeting new needs by developing and applying its traditional strengths.

Mainframes, minis, micros, massive centralized systems and sprawling international networks are the constant reminders that information is a corporate investment — an invaluable asset.

Yet even today, these sophisticated systems still contain only about 20 percent of the information within any corporation. The remainder, as always, is firmly consigned to paper. The paperless office isn't yet — and probably never will be.

American business alone will generate more than four trillion pages of printed material in 1989. By 1992, every office worker in America is expected to produce 21,000 pages of paper a year. Corporate culture is fast approaching what Alvin Toffler once called "the limits of adaptability."

Roland Magnin, managing director and chief executive officer of Rank Xerox, is very clear about the revised priorities such a situation demands: "The most significant challenge we all face today is to ensure that the flow of information in our organizations is driven by what people need... not by what our office systems equipment can do."

Rank Xerox is not a traditional data processing company. For the past thirty years the office has been its natural environment. With this experience in mind, the company began by ensuring that its own systems could communicate.

The Ethernet network was the first open system of its kind. Rank Xerox believes that the solution to improving the quality and flow of information does not rest solely with technology. It depends on how effectively it can be applied to solving specific problems.

Office systems, therefore, range from executive workstations to local area networks, telecopiers, electronic typewriters, word processors and personal computers. The correct answer is often simpler than it seems. For instance, an electronic typewriter can also be used as a printer. Most executives are more likely to benefit from a portable fax machine than from a portable PC.

Business solutions like these can also combine hardware, software and communications to meet specific needs. Rank Xerox's systems, for instance, can interface with a wide range

See RANK XEROX, Next Page

The European Corporate Electronic Publishing Conference & Exhibition. See us at stand D23.

the system on coin instead of not... wormer about... said Vic DePaula... postal will figure as a major bar...

### ELECTRONIC PUBLISHING

(Continued from Previous Page)

to update them; now it's extremely rare to wait a week." A time-saver is a money-saver, especially when huge volumes of work are involved. According to Dataquest Inc. of California, a typical Fortune 500 company will spend about \$20 million a year on print-related items.

A company like Boeing, however, needs to spend much more. The amount of documentation that goes into producing a Boeing 747 would fill one Electronic Publishing has an obvious solution and has already saved the company \$1 million.

Project times can be cut because people don't need to keep going back and forth between work queues. Illustrators can draw directly on the screen. Writers spend less time proofing boards and making corrections. Even half-tone photographs can be scanned and recorded for use. And while everyone is working towards the project deadline, an electronic library of drawings and data that can be used again in the future is steadily being created.

In France, as soon as a molecule has been synthesized, it can be patented. Yet before a product can be launched, it must be clinically researched. The cycle from patent to product can take at least ten years. Nothing will be released until all that work has been documented, checked and approved by the authorities.

As Toussaint Goppolani, the data processing director at the Paris Laboratories Service, explains: "A dossier used to be rewritten almost eight times. It

would be up to 50,000 pages long and could take up to three years to prepare. But today there are far more regulations to comply with, so the same dossier would be closer to 150,000 pages. We have a network that links the computers at our research centers into an electronic publishing system. So as data is validated, we can incorporate it into the dossier. The word-processing workstations can handle all the scientific formulae and signs as well as the text, which is often in different languages, including Arabic. That way, we still manage to stay within the three years."

In Basle, CIBA GEIGY has invested nearly \$100,000 in an electronic publishing system. The pharmaceutical giant expects reduced lead-times and typesetting expense to cover the cost.

In the high-tech, aerospace and pharmaceutical industries, documentation carries immense value. There can be no product without it.

At Messels, a stockbrokerage in the city of London, the requirements are different, as David Suzy explains. "On the one hand we produce reviews of trading activity and economic prospects in particular fields and these may be up to 60 pages in length and have a lifetime of two or three weeks. On the other hand, analysts' reports on individual companies are written in one day and expected on the manager's desk the following morning. Whatever the time span, the quality must be excellent and the layout professional, as they reflect the image of the company as a whole."

What sets electronic publishing apart from the related field of desktop publishing is the broader scope and flexibility of the former. Microcomputers and small publishing systems are just the tip of the iceberg. Advanced research in document processing points the way toward the office of the future.

Professor Su, a researcher at the University of Paris, is enthusiastic about the progress that has been made, and not just for mega-companies with mega-printing projects. "Printing the necessary papers when we have visiting lecturers used to take two days. Now my secretary can do it in two minutes. I can also store formulae and graphics on the system, so a scientific paper that used to take a week to write can be run off in a day."

David Garrod of Thorn EMI's Dataprint bureau has a good sense of where the field is going. He even has a name for it: "On-demand publishing." He feels that electronic publishing's strongest feature is the freedom of choice it offers. Publishers or other customers need only order the manuals or handbooks they actually require at the moment, rather than relying on an estimated demand and minimum print run to determine the amount. In addition to publishing literature for software companies, Dataprint also produces electoral registers for numerous local authorities in England. From these lists, the polling cards for the general election are produced.

Mr. Garrod has only one worry. He dreams that he has just cornered the market, and then someone calls a snap election. That would be a nightmare, even for electronic publishing.

### The WIMP Syndrome



The Window-Icon-Mouse-Pointer system, as used by the Xerox Documenter.

THIS is the tale of the well-intentioned document processor of the 1970s who quite naively assumed that anybody who put his mind to it could master an electronic typesetting system, no matter how it was conceived.

He learned his lesson the hard way. First he wrote his

piece. Then he added the necessary mark-ups for typeface, type size, text justification and column length. So far so good, it wasn't that different from word processing.

But every headline and sub-head also needed a separate set of instructions to turn off the previous commands, turn on the new and then switch back

again to continue. These instructions were coded and, as he added them, the screen overflowed. This called for another set of instructions to help him find his place again, which of course stifled his field of vision from left to right, which in turn...

To make a long story short, he invariably ended up feeding

like a wimp. Had he but known it, though, he was in good company. For about that time, WIMP joined the list of acronyms destined to make life a little easier. It stands for Window, Icon, Mouse and Pointer — four essential elements that transform a painstaking chore into a simple exercise.

Most people don't know it, but the WIMP method was developed by Xerox at its Palo Alto Research Center station already in the early 1970s. The aim was to devise a system that suited people, rather than computers.

The pre-WIMP document processor used only one file at a time on his computer. He could, in theory, transfer data but that involved yet more commands. Windows, in comparison, are as easy as "cut and paste."

Today, simple, self-explanatory icons let him control the entire process. One icon represents a filing cabinet, or project. He chooses a drawer by pointing at it with a mouse or pointer, then does the same again to

pick out a folder, or file. He can select up to three of them, and the pages will appear as overlapping images on his screen.

It looks the same whether he uses a Xerox Documenter or the XPS 701 Publishing System. On a 19-inch screen the files resemble a stack of A4 paper, with the current document on top.

A page can hold anything: dummy text to design an outline, real text for composition, graphic illustrations, charts or even photographs that have been scanned into the system.

Completed pages are printed out directly onto a laser printer — another area where electronic publishing scores over less sophisticated alternatives.

Instead of expensive typesetting and studio paste-up, systems like the Documenter produce finished artwork for copying and printing.

If more camera-ready copy is called for, a flick of the switch will do it. For a finished product printed in-house, the Xerox 4045 Laser CP will run off 10 copies per minute.

### The Shape of Screens to Come

COMPUTERS may not make the world go around, but they do determine to a large extent how information flows around it. By one estimate, planet earth is currently home to some 53 million computers. For every large one there are a dozen medium-sized systems, over one hundred small computers and 2,500 personal computers.

That is why some experts are still talking in terms of networks and connections—exchanging messages and calling for information. Screen will talk to screen.

Electronic mail is already routine, thanks to local area networks such as Ethernet. Xerox has been using it since 1975. Five years later the company joined forces with two of the world's major electronics companies — Digital Equipment and Intel — to publish a common specification that would make this technology more freely available.

At the other end of the spectrum, the printing industry has moved from cast metal — hot type — to phototypesetting. Along the way, digital systems have emerged and changed the face of the press.

Every traditional form of printing relied on two elements: the original and the copy. Today there are three: the page that is scanned, the page that arrives and — momentarily — the electronic image that travels between them.

By capturing and keeping electronic information, document processing — thanks to copiers, scanners, fax, and the convergence of typesetting and lasers — alters radically the way we work. Documents can be printed on demand, processed and reprocessed as will, stored or used and then deleted. The future is flexible, not fixed.

A new chapter is opening, the page has turned. When screen talked to screen, it imposed its own view of the world: a fixed number of lines, designed for data alone. Computers put a screen on your desk. Xerox put the desk on your screen.

It's still software that ties all these elements together, but today it describes pages, not forms. With desktop publishing, what you see is what you get.

To picture the difference, imagine that you are standing in front of a window overlooking the sea. Then close the shutters and peep out through the cracks. That's how it used to be.

Today no one need be limited to a few lines. Scanners can convert visual images such as photos, illustrations and maps into digital code. This electronic information can be pasted into position on a page, added to text and printed by laser.

The Xerox 150 Graphics Input station currently uses optical character recognition to cap-

ture text or snap an image of artwork.

Line illustrations are simple, they gain definition by being sharply defined in black and white. Photographs are referred to as contours (continuous tones), they involve contrast and shade. The scanner deals with them in the traditional way that printers have for years. It breaks them down into screened images — patterns of dots — with varying densities to recreate the original image faithfully.

On the Xerox Publishing Illustrators workstation, this



ready-made artwork can be rotated, blown up or reduced to suit the page. Linked to a network, the workstation can use powerful graphics software to overlay artwork and produce composite images for electronic or print circulation.

Artwork can be cleaned up on the high-resolution screen,

prior to publication. And once it has been scanned, the digital image — the map of the picture — can be compressed to a tenth of its size for storage.

Despite this, such "storage bins" remain static. They are the reading room, when what document processing really needs is a lending library. Consider two examples: a researcher who scans magazine pages to collect background information and an insurance officer who reads in completed documents including printed text, handwritten details and a signature. In both cases the user would have the reference material required, but would have to break the information down in order to use it again.

Xerox Kurzweil has pioneered a technique that could help solve the problem. It's called intelligent character recognition (ICR). The Kurzweil 4000 Intelligent Scanning System doesn't scan documents, it reads them; using a combination of optics and artificial intelligence to recognize numbers, symbols and characters in a whole range of fonts or styles. These are then stored as coded computer data that can be used again.

That is document processing in action. For organizations with heavy workloads and tight deadlines, the 4000 already provides a cost-effective way to enter huge amounts of data.

The ways in which we store information have similarly been revolutionized. If all of America's existing federal archives were ever thrown out, the line of brimming dustbins

would stretch for 1,000 miles. Today, in contrast, the contents of tens of thousands of sheets of paper can be stored on one side of a laser disk.

Businesses can capture a million images a year and still slot them into an eighteen-inch rack.

At present, there is only one drawback. When it stores this digitized information, the laser carves an indelible pattern of peaks and troughs into the fine recording surface. One can read what's been written there without, however, being able to change it.

The lesson of document processing is that very little information ever remains the same forever. Optical memory has its advantages, but further advances remain to be made.

To keep all this information moving will also require a new kind of network. Countries throughout the world are already working towards integrated standards for digital networks capable of carrying voice, text and data. Fiber optic cables will eventually replace the twisted pair cables that carry signals into the home and office.

As these global networks grow more complex, artificial intelligence — rather than standard software — will be required to manage them.

And to keep planet earth floating — not drowning — in information, new printing and document processing techniques will surely be found. The handwriting is on the screen.

### Marlow: Headquarter Design

FROM the outside, it is an attractive, low-rise building, one of the more prominent in the small British town of Marlow. The redbrick walls and classic lines blend easily with the surrounding countryside. Only the location, within a stone's throw of the M4 motorway, reminds one that this is the nerve center of a multi-million pound company.

Inside, Rank Xerox's new international headquarters are equally full of surprises. It

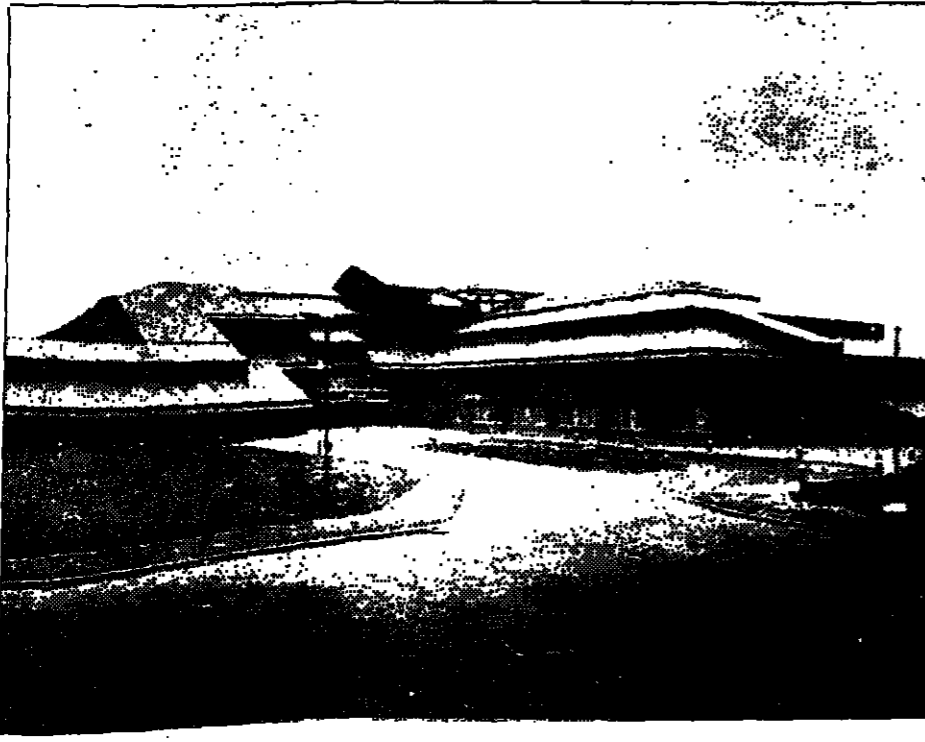
houses a thousand people on just three floors, providing them with enough space and facilities to fill a 33-story skyscraper.

The company has also allowed for changes over the next decade, by using its own computer expertise to plan and allocate space. Artificial intelligence (AI) technology helped the architects create a flexible working environment within one of the most highly automated offices in Europe.

As part of a multi-national organization, Rank Xerox is on-line to mainframes and networks around the world. A total of 3,700 miles of wiring has been used for telecommunications. Another 2.25 miles of Ethernet cable make up the local area network, from which over 12,000 other workstations can be reached.

Rank Xerox's "office of the future" is already functional, but will only be officially opened later this year.

At Marlow, one of the most highly automated offices in Europe.



### Frankfurt: Bringing the Key Players Together

THE European Corporate Electronic Publishing Exhibition opens in Frankfurt today. High attendance is expected at the show and hundreds of senior executives are gathering for a major conference on the latest electronic technology.

Over thirty experts, representing a complete cross-section of the industry, have been invited to speak. The first will be Roland Magnin, chief executive officer of Rank Xerox, whose keynote address on Publishing, Information and Communication in the Corporation

will set the pace for the conference.

Other speakers include John Sulley, chairman and chief executive officer of Apple Computer Inc., David Boucher, president and founder of Interleaf Inc., Günther Bötcher of IBM Germany, Herbert Hesse of Siemens A.G. Munich, and Howard Woolf of Digital Equipment Corporation. Linotype, Hewlett Packard, Aldus and Crossfield Electronics are also represented, as are leading academics and the potential users themselves.

"It was time to bring the key players together," says Andrew Salmon, one of the main organizers. Indeed, corporations seem to be suffering from a surfeit of choice. Their decision

makers are increasingly aware of the desktop publishing boom but far less familiar with the broader field of corporate electronic publishing. Yet it is the latter that seems to provide the most meaningful perspective for change.

"This is the first opportunity for European management to learn about it all at first hand," comments David Henry Goodstein, conference chairman. His recent Corporate Electronic Publishing Shows in Boston and Chicago attracted over 6,000 attendees and, as a consultant and publisher, he is unquestionably one of the leading authorities in the field.

This week's show, held in Hall 3 at the Frankfurt Exhibition Center, runs until Friday.

### RANK XEROX

(Continued from Previous Page)

of equipment, including products from other vendors.

Without them, introducing information systems to the office can be like mixing oil and water. At worst, it results in data that cannot be merged into word processing, micros that cannot communicate with other micros or incompatible systems that can only be linked by luck and judgment.

For Rank Xerox, confident in the power and flexibility of its systems, 1987 is the year of electronic publishing. "To support it, we will continue to focus on, and invest in, comprehensive software support, additional interfaces, new printing solutions and improved customer satisfaction," says Oliver Groves, the director of EPD.

With its wide spread of solutions, Rank Xerox has already combined and packaged products to help specific departments prepare and polish their own documents more easily.

For desktop publishing, using industry standard microcomputers, the Ventura package can merge text and graphics, use multiple fonts and connect to low-cost laser printers. Its style sheets — the graphic frameworks that material can be poured into — can be derived from corporate standards or created from scratch.

The Documenter is a complete standalone publishing system. It includes software, storage for up to 20,000 pages

of text and a professional computer workstation linked to the Xerox 4045cp laser printer.

For the office, the Xerox 8010 can create, merge and print high-quality text and graphics under the author's control. The workstation can also be linked to others by a telephone connection or the Ethernet network, thus integrating electronic publishing and electronic mail in a single unit.

For the data center, the Xerox Integrated Composition System can typeset data from mainframes under systems control. Another software package will connect existing mainframes to laser printers ranging from the high-speed Xerox 9790 to the table-top Xerox 4045 so that they can use Interpress, the industry standard page description language for publishing.

Laser printers, in addition to their exceptional speed and quality, can combine laser scanning and micro-processor technologies with xerographic techniques. Rank Xerox has successfully applied this technology to systems such as the Documenter, and terms it lasography. Without it, electronic publishing would be impractical and desktop publishing would not exist.

Against this background of rapid market change and new customer needs, Rank Xerox



The Xerox 9790 Electronic Printing System combines computer, laser, and xerographic technologies to print merged data, text and graphics directly from digital information at 120 pages per minute.

has consistently pursued its main objectives.

The first is service. Rank Xerox has created an infrastructure that lets companies install the latest technology quickly and profitably. It has retained its staff in new fields and created specialist teams to support specific sectors such as finance and government. The company maintains one of the largest sales and service organizations in any industry, operating in 26 marketing subsidiaries and

complemented by numerous distributors, agents and dealers.

The second is quality. Rank Xerox is one of the very few companies in Britain to have won the British Quality Award twice since its introduction in 1984. In 1986 it was won by the plant at Welwyn, which currently engineers a range of mid-volume copiers for worldwide distribution. Previously, it was awarded to the Mitcheldean plant, which also manufactures copiers.

The third is innovation, where two major initiatives were announced last year: a University Grant Program, under which Rank Xerox provides £4 million worth of hardware and software to eight European universities as part of a worldwide \$30 million Xerox program to stimulate research in office systems; and a new European systems research laboratory — Rank Xerox EuroPARC — which will open later this year at Cambridge, England and focus on human-computer interaction.

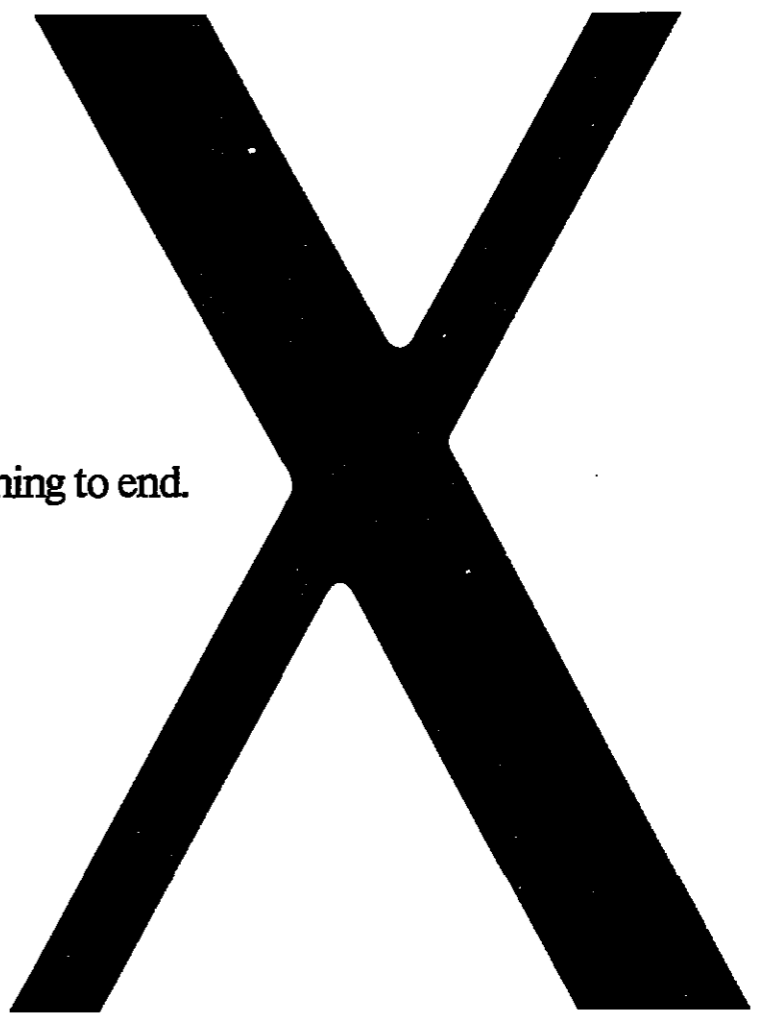
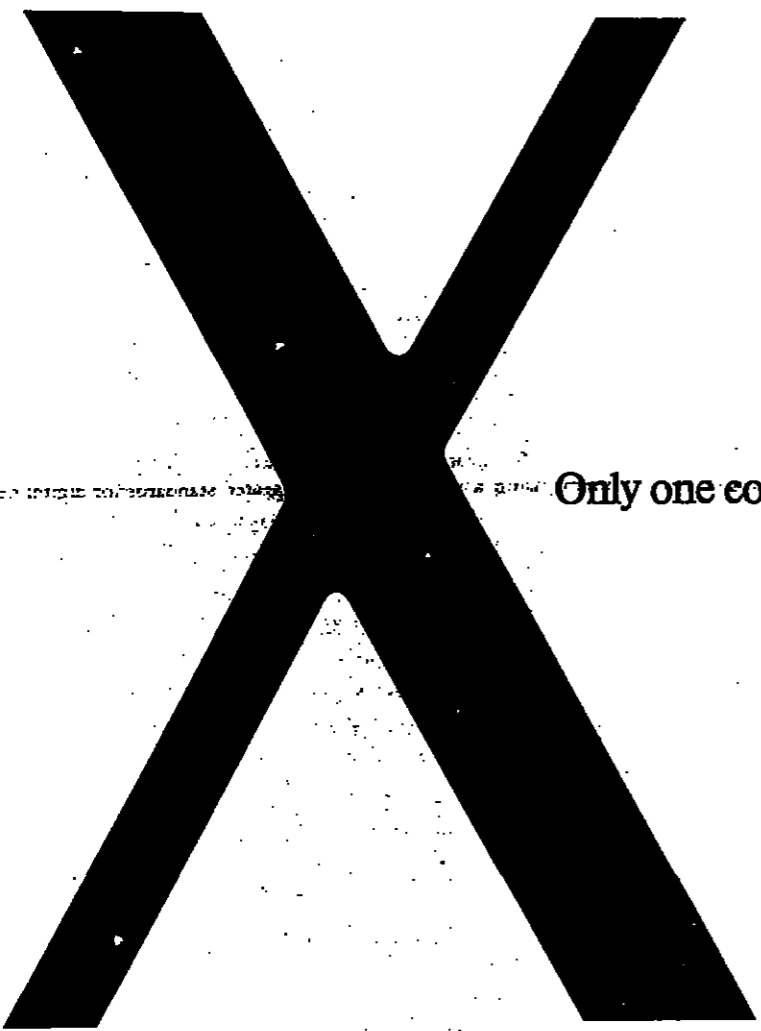
It's part of the continuing story that includes the copier, the daisy wheel, the Ethernet local area network, the window-icon-mouse-pointer concept for workstations, laser printers and, less expectedly, artificial intelligence (AI) applications for business. At the recent Hannover Fair, visitors could see one of these AI systems at work. It acted as an investment consultant, advising junior partners on how to manage their clients' portfolios.

Other areas may soon be seeing something known as a fuzzy retrieval system. Instead of picking his way through a filing system, the manager will ask the screen: "Could you find that letter we sent them about six months ago, look up the figures and see if the address is still alright?"

What next? In Roland Magnin's words: "Once you get something done and get it right, then it's time to stabilize it and move on to the next big challenge."

This advertising section was written by Steve Barber

July 1, 1987



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the system on coin instead of not. women about. said vic DePaula. possal will figure as a major bar.

# Opera Life Of Pasolini

By James Helme Sutcliffe  
**K**ASSEL, West Germany — The biennial Documenta exhibition this year features a retrospective of Pier Paolo Pasolini's life work as a movie director. What more appropriate occasion to have commissioned a new work for Kassel's opera house based on the life, ideals, obsessions, achievements and death of the controversial Italian, one that set out to examine and portray the tenuous relationship between a creative artist as an outsider and the society he was born into, which — with a good deal of help from the artist himself — eventually destroyed him.

Gerd Uecker wrote the libretto in close conjunction with Kassel's production team, the American director Siegfried Schoenbohn and his German designer Rolf Reuter, whose extraordinary version of Wagner's "Ring des Nibelungen" cycle is also on view during Documenta 8. The music for what was eventually titled "Pier Paolo . . ." was created by Walter Haupt, who directed the Bavarian State Opera's experimental stage from 1969 to 1986. His operatic version of Peter Weiss's "Marat/Sade" had its successful world premiere here in 1984, with Kassel's team providing stunningly effective theatrical solutions for the demanding work.

This was Haupt's first attempt at music drama to an original libretto. Unexpectedly for the production team, "Pier Paolo . . ." revived a form of theatrical scandal familiar in Kassel since directors and designers began about 15 years ago presenting their provincial audiences with unorthodox stagings that had them booing or stomping out. The most violent reactions I recall were for a "black mass" in Wagner's "Flying Dutchman," when Nazi propaganda films were shown in place of the triumphal march in "Aida," or when a naked



A scene from "Pier Paolo . . ."

orgy during the Act 1 finale of "Don Giovanni" had people shouting "phooey" and heading for the exits — but waiting there until the curtain fell.

The provocation in "Pier Paolo . . ." was different, determined by the unsavory facts of Pasolini's openly, even defiantly practiced homosexual nightlife. The scene in front of a urinal in which a young friend of Pasolini's affectionately tries to amuse him out of a creative slump, observed by a man walking his dog who then calls the police, resulted in some hefty door slamming. It was one of eight scenes lasting an unbroken two hours, beginning and ending with Pasolini's brutal slaying by a teenage pickup, though not quite as brutal as in real life.

The other scenes took us from Pasolini's boyhood, when he was condemned by his dying fascist father for writing poetry, his departure for Rome from his home town with his mother after a priest had accused him of pederasty and made further residence impossible, through a Communist meeting in which Pasolini's attempt to read his idealistic poetry to the comrades resulted in baffled ridicule, to Federico Fellini's elegant terrace overlooking nocturnal Rome and the final vision scene.

The four scurrilous pageants passing on the revolving stage, which revealed vicious religious, sexual and social attitudes of a Rome most people don't see, were enactments of a movie script Pasolini had brought for Fellini (Manfred Volz) to read. They formed, with their rejection as unfilmable, the anticlimactic climax of the evening.

Haupt calls his work *Musiktheater*, a term invented by Walter Felsenstein to distinguish his own way of staging opera down to the last dramatic detail, but since become a catchword in Germany for anti-opera, a mixed-media form liable to contain anything. So it was that Pasolini (Elmar Roloff) and 22 other roles were spoken over music and only seven were sung, including that of "White Pier Paolo" (René Claassen). This figure of Pasolini's idealized self, who first appears on the station platform to accompany him into Roman exile, is the symbol of "the other life that [he] cannot live," and the most original idea of the evening.

But the always compellingly truthful staging could not hide the shallowness of Haupt's music, pedantic tones, ostinatos and aleatoric outbursts at one remove from the undoubted drama of the story; discreet background music that made no attempt to create character in terms of sound or even to match changes in stage mood, as when the priest discovers Pasolini swimming naked with pupils and heads back to town with clearly hostile intent.

What little was sung became recited song over a static orchestral tone or pattern, and the technical complexity of the piece — coordinating onstage radio or backstage percussion with live orchestral accompaniment — became self-defeating for lack of musical substance. Those who stayed enthusiastically applauded the fine cast, production team and the conductor Jean-Pierre Faber for an exciting evening in the opera house.

# The Dark Side of Family Life

By Sheridan Morley  
*International Herald Tribune*  
**L**ONDON — Alan Ayckbourn's "A Small Family Business" on the Olivier stage of the National is the first of his plays in many years not to have been written for and first seen at his own theater in Scarborough. It is a bleak, dark and ultimately very black comedy about a family finally becoming the family in a Mafia sense of the word.

It would appear at first sight to share many of the themes of relative values and final betrayal at the heart of another current Ayckbourn National production, Arthur Miller's "A View From the Bridge," now being played by many of the same actors on the Cottesloe stage.

"Family Business" is not, of course, a play in anything like that classic or tragic league, but it does



Michael Gambon and Polly James in "Family Business."

**THE LONDON STAGE**

suggest that, having previously separated his scripts into the dark and the light, Ayckbourn is now ready to move from the total force of the opening sequence, where a man comes home to take his wife to bed only to find two of his closest relatives assembled in the dark for a surprise party, through the final and chilling sploit version of a hopelessly drug-addicted daughter sitting alone in a bathroom while downstairs her parents and uncles and aunts are sorting out the disposal of an alien corpse.

What Ayckbourn is telling us is that, like charity, corruption begins at home. His central figure, despairingly well-played by Michael Gambon, comes back to take over an ailing furniture factory that he intends to revive on the simple, if unfashionable, basis of total honesty. He discovers, however, that his daughter is shoplifting and his brother selling off the firm's furniture at cut rates to Italian rivals.

What's more, every single relative is on some kind of fiddle at home or at work. He gradually gets caught up in a spiral of blackmail from which there is no escape.

Across nearly three hours things are apt to get a little repetitive, especially as all the relatives live in the same on-stage set, presumably because in a furniture business they would be likely to have identical homes. But then, in a final act of ritual submission to graft and evil, Gambon dons a pinstriped suit and delivers a speech about the family future that would not have disgraced the Godfather himself. Ayckbourn remains the master portraitist of families in lives of gen-

erally stifled by life. Everyone wants to be in another time and another place, but only the military manage to move on and then only because they are under orders.

On John Bury's revolving set, Moshinsky achieves a powerfully passionate classical celebration of a masterpiece and for that, in the current musical climate of the West End, we should be more than a little grateful.

□

The Open Air Theatre in Regent's Park has just reopened for the summer, with Ian Talbot as the new artistic director bravely leading off with a rare "Bartholomew Fair," directed and quite heavily edited by Peter Barnes with an unusually strong cast headed by Peggy Mount, Lynn Farleigh, Peter Bayliss and Christopher Biggins as the glib country cousin who loses his all at the fairground. Something has, however, gone very wrong on the park's open grassy stage and it is, I think, that the company gradually loses all faith in the director's enthusiasm for the play.

Barnes has always been a Ben Jonson man. Indeed he last staged this very piece in a famous Roundhouse production a decade ago, and his work on cutting and shaping the text is scholarly and intelligent. But as a mercifully dry and jet-free evening wore on, and as the arc lights came up to take over from the twilight, you could see performances perceptibly broadening into desperate farce to win laughs that have never been easy to come by in a script of considerable complexity and of detailed social commentary on the early 17th century.

True, certain jokes live forever, whether it is Peggy Mount trying to extract her vast pig-woman from a chair several sizes too small, or some curiously timely references to punks and the evils of born-again puritans. But a terrible kind of forced jollity is no substitute for genuine comedy, and only Chris Ryan as a wonderfully manic, witty Trouble-All catches the right air of total involvement in a plot of increasing lunacy.

A closing fireworks display and a certain amount of Morris dancing around the interval bars suggests that the park is now in the business of wall-to-wall or rather tree-to-tree entertainment, but curiously it has on this occasion totally failed to recapture the fairground spirit necessary to make any real sense of this old morality play.



This is the formula for something that looks ordinary, but does something extraordinary.


It is a superconductor, a material that carries electricity with no loss of power. Until recently, superconductors worked only at extremely low temperatures, limiting their use.

In a major breakthrough, two European IBM scientists discovered that this class of materials superconducts at a much higher temperature, raising the possibility of expanding this technology's use.

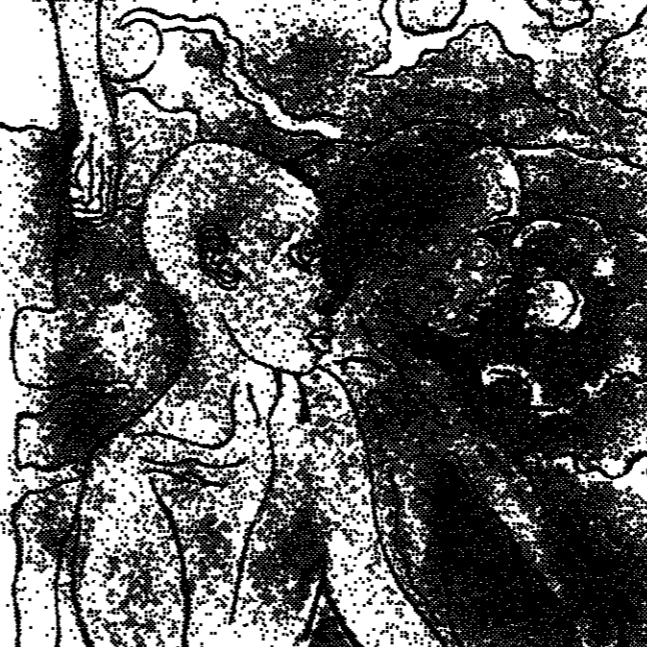
This discovery, by J. Georg Bednorz and K. Alex Müller from the Rueschlikon laboratory in Switzerland, has sparked an explosion of research that could yield profound change. In fact, many think that if remaining obstacles can be overcome, superconductors could lead to major advances in many areas of human endeavour, including computers.

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Because innovation not only makes breakthroughs possible. It makes better products for our customers possible.



# Township Vision



Paul Sibisi and his "Tea Break."

By Warren Getler  
*International Herald Tribune*  
**L**ONDON — When Paul Sibisi speaks of the art students waiting for his return to Durban, South Africa, his voice crackles with emotion.

"When I compare their work with mine, they seem so much angrier than I ever was, there's more sadness to be seen," said Sibisi, 39, a black South African artist exhibiting his work here for the first time. But Sibisi's art, primarily pen-and-ink sketches with a pastel wash overlay, is imbued with a sadness and resignation of its own.

"I'm interpreting the moods of the township, the anger, the frustration, the anxiety and the joy," he said in a gentle voice. "I don't leave it in mind that I'm doing political work; I'm depicting what is happening on the street, the way I see it."

"The township, for any aspiring artist — whether an author, a poet or painter — is his source of inspiration: it is fertile with ideas."

"Tea Break," one of 12 pen-and-wash drawings on exhibit at the Anderson O'Day Fine Art Gallery through July 4, depicts a naked young boy and his older sister, clad in a Sunday dress. The children appear to be watching a disturbance down the road — behind them can be seen the leg of a uniformed soldier.

In "Sad News," one of 14 wood-and-linoleum cuts, a mother and her daughter huddle together over a local newspaper. The message is clear: more grief in the embattled townships.

"Mother and Child Reunion," a bright red and white pen-ink wash, shows the kind of love that cannot be quelled by suppression. Sibisi said, "I was inspired by Paul Simon's hit of that name, which swept the townships. The people loved the beat, even if they didn't understand."

Since graduating 24 years ago from Ndeleni, a private art college run by Swedish missionaries in Natal Province, Sibisi has felt an urgent need to reveal through art "what my people in the townships really feel."

He cites as his major influence

Honoré Daumier, the 19th-century French artist known for his satirical cartoons and the social commentary of his work.

Sibisi arrived in England in January on a British Council fellowship. He had applied in early 1984 for the fellowship, but when no response came for more than a year, "I thought they had just forgotten about me." News of his award came months later, following a number of exhibits in Durban that attracted critical acclaim.

In addition to preparing his exhibition at the Anderson O'Day gallery, Sibisi is spending much of his time at Fircroft College in Birmingham. There he is studying approaches to art education, hoping to apply some of these techniques to his art workshops in Durban.

Recognition of black artists is just emerging in South Africa, and to a small extent elsewhere, he said. "During this time of unrest, artists are becoming more important. We've seen this already in music, and here Paul Simon did a good thing, and in drama and now more so in visual art. Art eradicates color barriers."

"I've been dreaming of exhibiting here; I needed such a chance," he said. His chance came when a British art critic, Edward Lucie-Smith, saw his work on a visit to South Africa in 1981. Smith was impressed, bought several pieces and recommended Sibisi to Anderson O'Day, known for supporting contemporary art.

After experiencing the freedom of expression among artists in Britain, Sibisi is a bit apprehensive about his return to Durban next month.

"I've got fears. But they [government officials] have not harassed me under the state of emergency. One is never sure what works they might call provocative," he said.

"It's strange but artists here are more motivated by landscapes than by people; you know, up to now, I hadn't had the chance of sitting in a park and appreciating the sound of birds. It's so quiet, I'm not used to such quietness. I'd like to depict that some day."

Paul Sibisi, Anderson O'Day Fine Art Gallery, 5 St. Quinin Avenue, London W10. Until July 4.

# DOONESBURY



WEDNESDAY, JUNE 10, 1987

Page 13

**MADISON AVENUE**

**Agency Offering Data Base In Bid for Burger Account**

By PHILIP H. DOUGHERTY

**NEW YORK** — One of the advertising agencies preparing to do battle for the \$200 million Burger King account could well be armed with a formidable new weapon. Appropriately called Conquest Advertising, it is a computerized information retrieval system that puts the buying patterns, the media usage and the lifestyles of the United States under a microscope.

The venture is the creation of Lawrence S. Silverman, in conjunction with Dun & Bradstreet's Donnelley Marketing Information Services. It is a service of Media Connection, of which Mr. Silverman is president.

This is going to change how the agency business works," Mr. Silverman said. He said that he and his partners were negotiating with an agency that will be seeking the Burger King business, now at J. Walter Thompson.

During the interview, Howard C. Hunt, director of systems development at Donnelley, demonstrated how the Conquest system would be used by an agency working for the hamburger chain. He showed how a map of the United States could be brought to the screen, with color-coded areas designating locations of McDonald's and Burger King outlets, where each brand was preferred, sales volume and television viewing patterns.

Then the system can zero in on a neighborhood, or even a few blocks of a neighborhood, and give the same information. "This system will set up a marketing hub in an agency," Mr. Silverman said. "Before a pencil goes to paper, the marketing direction is established."

Dun & Bradstreet is sitting on a mountain of information. It owns A.C. Nielsen, which monitors American television viewing tastes, so it knows who is watching what on TV. But more important, it has in its computers the names, addresses, phone numbers and other data on 90 percent of the country's households, around 78 million of them. The ones that are missing are those that have neither a telephone nor an automobile.

**OF THOSE 78 million**, Dun & Bradstreet has selected 45 million that it judges to be the "heaviest buying" households. Each year these households get two questionnaires seeking marketing data.

About 70 major retail chains already use the system. The annual charge to the user will be \$35,000 to \$50,000, Mr. Silverman said, adding, "It's about the cost of an account executive."

With all of America's ad agencies to choose from, Campbell Soup Co., which already retains 10 of them, has gone to London to get creative work on \$10 million worth of advertising.

Its new agency is Saatchi & Saatchi, the British anchor of Saatchi & Saatchi Compton Worldwide. The assignment, for creative work and marketing consultation, covers Campbell beverages sold in the United States. Media planning and buying will be done by Campbell's in-house CSC Media Services unit.

British Airways has had a couple of tie-ins with Harrods, the London department store, in the past. The London store is now to elaborate as a proposed promotion to overcome the slack business-traveling days in July and August.

Under the plan, certain passengers will get a \$1,000 or \$500 shopping spree in the store. Passengers who pay \$2,856 for a one-way ticket to London on the Concorde and fly home, in any class of cabin, on British Airways will be able to spend \$1,000. The \$500 goes to those flying Super Club or business class to London. The budget is \$151,000, and an additional \$60,000 will go into

See MADISON, Page 19

**Gummi To Bid for U.S. Firm**

**Germans Target General Tire**

By Ferdinand Proczman

International Herald Tribune

**FRANKFURT** — Continental Gummi-Werke AG, West Germany's largest tire producer, said Tuesday it would make a takeover bid for General Tire & Rubber of the United States, continuing its drive to expand away from the saturated European market.

Conti Gummi did not release details of the bid. Analysts said they would be hard-pressed to estimate the value on the American company, which is the tire-making subsidiary of the U.S. conglomerate GenCorp Inc.

General Tire, which currently produces tires under license from Conti Gummi, had revenue in 1986 of about \$500 million.

"The few numbers I have don't lead to any reasonable speculation," said Gregor Gielen, an analyst for BHF Securities in New York. "It will be a high-stakes thing with GenCorp, which needs the money badly, trying to wring every last dollar they can out of Conti Gummi."

A Conti Gummi spokesman said that the company's supervisory board had given the managing board approval to make a bid for General Tire, but that no concrete offer had yet been made.

Helmut Werner, Conti Gummi's managing board chairman, has made no secret of his company's interest in acquiring a U.S. tire producer.

On May 12, he announced plans for a capital increase and bond issue designed to raise about 1 billion Deutsche marks (about \$554 million) for possible acquisitions. Those plans were subject to approval by the supervisory board.

At that time, Mr. Werner said the chances of a successful takeover of General Tire were 50-50.

He said that GenCorp had recently spent \$1.6 billion fighting off a hostile takeover and was considering selling General Tire and some other subsidiaries to recoup some of the costs.

General Partners, an investor See GUMMI, Page 17

**France Becomes a Nation of Shareholders**

The Government's campaign to denationalize state-owned companies has been warmly received by investors. Prices are in French francs, which are currently worth 16.5 cents each.

Company	Sale Date	Public Offering Price	Friday Close	Shareholders	Demand (Times oversubscribed)
Saint-Gobain	11/24/86	310	418	1.5 million	14
Paribas	1/19/87	495	476	3.8 million	40
Banque Sogémal	3/9/87	125	153	850,000	46
Banque du Bâtiment et des Travaux Publics	4/6/87	136	146	1 million	66
Banque Industrielle et Mobilière Privée	4/21/87	140	180	520,000	29
Credit Commercial de France	4/27/87	137	128	1.65 million	11
Compagnie Générale d'Électricité	5/11/87	290	325	2.24 million	6
Agence Havas	5/25/87	500		730,000	20

\* Shares are not yet publicly traded. The New York Times

**'Popular Capitalism' Stirs the French**

**Criticism Rises Over Denationalization Campaign**

By Steven Greenhouse

New York Times Service

**PARIS** — France's campaign to sell off government-owned industries, which began last November, has generated two waves: a wave of Frenchmen rushing to buy shares in the companies, and a wave of controversy.

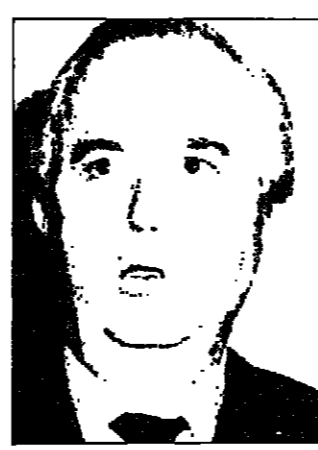
Controversy or not, Edouard Balladur, the finance minister, has declared as a resounding success his campaign for "popular capitalism," which aims to transfer 65 companies to private hands by 1991 for a total of at least \$50 billion.

The denationalization campaign, which parallels a similar effort in Britain and other countries, has already sold off 10 companies, and next week will offer Société Générale, one of the three major commercial banks that Charles de Gaulle nationalized after World War II.

In the process, the number of French people owning shares has jumped to 3 million, from 2 million. The offerings have been oversubscribed by as much as 65 times.

"In terms of attracting shareholders, the privatization program is an indisputable success," conceded Jean Loyrette, a Paris attorney who has advised the opposition Socialist Party on the denationalization program of Prime Minister Jacques Chirac's conservative government.

But Mr. Balladur's critics say the government has deliberately



Edouard Balladur

underpriced the shares, making itself look good by insuring that each sale is oversubscribed. Indeed, shares in Compagnie Générale d'Électricité, the telecommunications giant that recently took over ITT Corp.'s foreign operations, sold on the gray (or secondary) market for 30 percent more than the government's offering price.

In the latest dispute, Mr. Chirac's government is being accused of awarding large chunks of the privatized companies to friends and relatives. The accusations have come even from some business executives and conservatives.

Adding to the debate was the one-day plunge of stocks on the Paris Bourse on May 15. It jolted

many shareholders, who have been lured by weeks of slick television advertisements, often featuring glamorous models, that extol share ownership. Since that one-day, 4-percent drop, many stockbrokers have questioned whether the buyer interest will taper off.

"The uncertain climate of the Bourse could discourage a lot of investors," said Jean-Louis Sempé, a stock analyst with Seller Inc. in Paris. "Many were naive first-time shareholders who forgot that the market could go down as well as up."

Despite the market's chopiness, Mr. Balladur seems to be pushing full speed ahead. He just finished selling Agence Havas SA, France's largest advertising agency, and along with Société Générale, later this month he plans to offer TFI, a top French television company.

On Thursday, Mr. Balladur announced that Compagnie Financière de Suez — France's sixth-largest banking group, with \$55 billion in assets — would be offered later this year.

"Last year, a lot of people were saying the Bourse could never absorb all these offerings," said Jean-Claude George, a vice president of the French Stockbrokers Association. "If anything, the privatization program has worked too well."

Indeed, many shareholders are complaining that they cannot buy as much stock as they would like. See PRIVATIZE, Page 19

**BofA Will Add \$1.1 Billion to Loan Reserve**

By Andrew Pollack

New York Times Service

**SAN FRANCISCO** — BankAmerica Corp. announced late Monday that it will add \$1.1 billion to its reserves for future loan losses, an action that will result in the largest quarterly loss to date for the struggling bank and shatter its immediate hopes for a recovery.

The second-largest U.S. banking company linked its move to the debt problems of developing countries. BankAmerica's stock fell 25 cents, to \$11.25, in trading Tuesday on the New York Stock Exchange.

The announcement came several hours after the markets closed on Monday.

BankAmerica said the addition to its loan-loss reserves would produce a \$1 billion loss for the second quarter and an unspecified loss for the entire year. The yearly loss is almost certain to be larger than the 1986 loss of \$518 million.

The bank has lost \$855 million in the last two years. As recently as three weeks ago, it was promising angry shareholders that it would post a profit this year and that there would be no more unpleasant surprises.

Virtually all analysts and industry officials said they doubted that the bank was in danger of failing because it had a large base of retail deposits, which tend to be very stable.

Moreover, they said, the move by the San Francisco-based bank is to some extent merely an accounting change that does not affect the overall money available to the bank to deal with loan losses.

BankAmerica's action comes only two to three weeks after reported statements by its officials that the bank believed its reserves were adequate and would not have to be expanded despite an increase last month by Citicorp, the industry leader.

But so many banks have followed Citicorp's lead that BankAmerica apparently felt that such an action was inevitable. "It was very clear that there was no choice," one BankAmerica official said. "There was no credibility

to that position after everyone fell in line." The \$1 billion loss would wipe out more than one-quarter of the bank's common equity at a time when it is already under great pressure from federal regulators to raise its equity.

Some analysts have said in recent weeks that such a huge loss could fatally endanger plans for the bank's recovery. BankAmerica, which has already sold many of its profitable businesses, might be forced to sell Seafirst Corp. in Seattle and even some of its prized California branches.

If that happens, analysts have said, BankAmerica might never re-

See BANK, Page 17

**U.S. Business Plans 2.8% Rise In Investment**

The Associated Press

**WASHINGTON** — The U.S. Commerce Department said Tuesday that American businesses plan to raise capital spending by 2.8 percent this year following a big cutback in 1986.

The department estimated that spending by businesses on expansion and modernization would total \$384.6 billion this year, after removing the effects of inflation. Two months ago, the department had projected a 1.8 percent increase for 1987.

The 2.8 percent increase, if it is realized, would follow a decline of 3.1 percent in capital spending in 1986, the poorest performance since a 7.9 percent drop in 1982.

The estimate, based on a survey of businesses in April and May, is more optimistic than many private forecasters. Some predict little improvement from 1986 in the belief that new U.S. tax laws, which close many loopholes for businesses, will depress investment.

**Currency Rates**

Cross Rates	U.S.	D.M.	S.F.	Y.	£	Sw.	N.Y.	S.P.	Y.
Amsterdam	2.36	12.075	23.85	1.935	5.61	126.0	142.0	142.0	142.0
Brussels	33.2	16.7	36.78	3.02	2.885	16.45	34.85	24.3	24.3
Frankfurt	1.795	2.64		2.91	1.295	80.25	422	78.25	129
London (D)	1.613			8.92	2.12	2.64	24.42	24.42	24.42
London (S)	1.364	1.678	7.675	2.178		65.35	34.92	N.A.	9.48
New York (C)	0.802	1.1	5.795	1.295	5.94	37.36	1.6	142.15	
Paris	6.514	9.795	2.64	1.614	5.88	141.75	4.825	4.225	
Tokyo	142.8	25.12	72.62	32.75	14.14	7.15	38.35	95.41	
Zurich	1.89	2.635	8.28	3.725	8.142	7.57	1.975	1.825	
1 ECU	1.542	0.899	2.074	4.954	1.004	2.371	48.09	1.252	144.87
1 SDR	1.295	0.76	2.201	2.711	1.091	N.A.	N.A.	1.021	164.93

Other Dollar Values	U.S.	U.S.	U.S.	U.S.	
Argentine peso	1.64	Great Brit.	1.64	S. Korea	84.50
Australian \$	1.405	Hong Kong \$	7.807	Soviet ruble	0.032
Austrian sch.	13.28	India rupee	4.89	Spain peseta	166.48
Beta, N.Y.	37.61	Indo. rupiah	1,645.25	Swed. krona	4.795
Brazil cruze.	26.65	Irish £	0.771	Taiwan \$	31.21
Canadian \$	1.3425	Israeli sheq.	1.361	Thai baht	52.715
Chinese yuan	2.721	Japanese yen	1.00	Turkish lira	82.55
Danish krone	6.76	Malay. ring.	2.485	U.S. dollar	1.00
East German mark	2.187	S. Afr. rand	2.012	Venez. bolivar	28.35

Sources: Reuters; Bank of Tokyo (Tokyo); NYF (SDR); BAH (dollar, franc, deutsch); Gosbank (Tokyo). Other data from Reuters and A.P.

**Interest Rates**

Eurocurrency Deposits	U.S.	U.S.	U.S.	U.S.
1 month	4 1/4 - 4 3/4	3 1/2 - 3 3/4	4 1/4 - 4 3/4	8 1/2 - 9
3 months	7 1/4 - 7 3/4	3 1/2 - 3 3/4	3 1/2 - 3 3/4	8 1/2 - 9
6 months	7 1/4 - 7 3/4	3 1/2 - 3 3/4	3 1/2 - 3 3/4	8 1/2 - 9
1 year	7 1/4 - 7 3/4	3 1/2 - 3 3/4	3 1/2 - 3 3/4	8 1/2 - 9

Sources: Reuters; Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates	U.S.	U.S.	U.S.	U.S.
1-month	9 1/2	9 1/2	9 1/2	9 1/2
3-month	9 1/2	9 1/2	9 1/2	9 1/2
6-month	9 1/2	9 1/2	9 1/2	9 1/2
1-year	9 1/2	9 1/2	9 1/2	9 1/2

Asian Dollar Deposits	U.S.	U.S.	U.S.	U.S.
1 month	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4
3 months	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4
6 months	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4
1 year	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4	7 1/4 - 7 3/4

U.S. Money Market Funds	U.S.	U.S.	U.S.	U.S.
1-month	9 1/2	9 1/2	9 1/2	9 1/2
3-month	9 1/2	9 1/2	9 1/2	9 1/2
6-month	9 1/2	9 1/2	9 1/2	9 1/2
1-year	9 1/2	9 1/2	9 1/2	9 1/2

Gold	U.S.	U.S.	U.S.	U.S.
1-month	375	375	375	375
3-month	375	375	375	375
6-month	375	375	375	375
1-year	375	375	375	375

British	U.S.	U.S.	U.S.	U.S.
1-month	9 1/2	9 1/2	9 1/2	9 1/2
3-month	9 1/2	9 1/2	9 1/2	9 1/2
6-month	9 1/2	9 1/2	9 1/2	9 1/2
1-year	9 1/2	9 1/2	9 1/2	9 1/2

Foreign	U.S.	U.S.	U.S.	U.S.
1-month	9 1/2	9 1/2	9 1/2	9 1/2
3-month	9 1/2	9 1/2	9 1/2	9 1/2
6-month	9 1/2	9 1/2	9 1/2	9 1/2
1-year	9 1/2	9 1/2	9 1/2	9 1/2

Sources: Reuters; Bank of Tokyo (Tokyo); NYF (SDR); BAH (dollar, franc, deutsch); Gosbank (Tokyo). Other data from Reuters and A.P.

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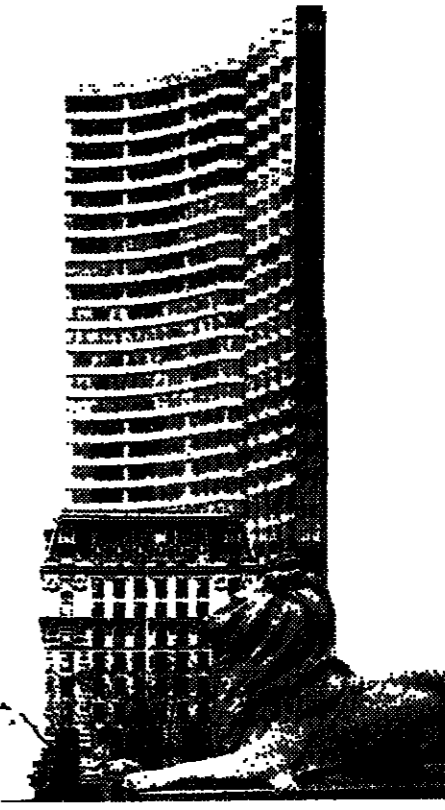
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FIGURES AS AT DECEMBER 31, 1986:

TOTAL ASSETS:	US \$ 168 billion
SHAREHOLDERS' EQUITY:	US \$ 1.6 billion

NYSE Most Actives table with columns for stock symbols, volume, high, low, and change.

Market Sales table showing volume and value for various market segments.

NYSE Index table showing high, low, close, and change for various indices.

Tuesday's NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table listing stock symbols, prices, and changes.

NASDAQ Index table showing high, low, close, and change.

AMEX Most Actives table listing top active stocks on the AMEX.

Dow Jones Bond Averages table showing bond prices and yields.

NYSE Diary table listing stock symbols and prices.

Odd-Lot Trading in N.Y. table showing odd-lot trading statistics.

Dow Jones Averages table showing high, low, and change for major indices.

Standard & Poor's Index table showing high, low, and change.

NASDAQ Diary table listing stock symbols and prices.

AMEX Stock Index table showing high, low, and change.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices (A) with columns for 12-month high/low, stock symbol, and price.

New York Stock Prices Inch Up

NEW YORK — Prices on the New York Stock Exchange ended narrowly higher Tuesday in moderate trading after hovering near unchanged levels throughout the session. The Dow Jones industrial average, which rose 25.49 points on Monday, gained 1.06 points on Tuesday to close at 2,352.70. Gainers led losers 8-7 among the NYSE's volume traded. Issues totaled 164 million shares compared with 136 million on Monday. Throughout the day, the market seemed to be in the hands of cautious buyers and reluctant sellers. In the end, the buyers held sway. "The market was quiet, cool and calculating, not hysterical or emotional," said Monte Gordon, research director of Dreyfus Corp. "It's dealing with one uncertainty after another and yet refuses to give up ground." "The market showed remarkable resiliency after advancing last week and Monday," said Robert Kahn, manager of equity trading at Montgomery Securities in San Francisco. Jack Baker, head of the equity book trading desk at Shearson Lehman Brothers, cited strength among technology stocks and predicted the Dow could move to between 2,375 and 2,400 by the end of the week. "We're seeing cautious buying combined with a lack of selling pressure," said Mr. Baker. As they have since the beginning of the week, investors watched dollar and interest-rate fluctuations while waiting for the results of the Venice summit meeting. The dollar weakened in the absence of statements lending substantive support to the U.S. currency.

DETROIT Edison was the most active NYSE-listed issue, unchanged at 17 1/4. Pacific Gas & Electric followed, easing 1/4 to 20 1/4. Pan Am Corp. was third, rising 1/4 to 5 1/4. Dayton Hudson rose up 1/4 to 52 1/4. The retailer said it knew of no reason for the unusual activity in its stock. Among blue chips, AT&T fell 1/4 to 26. General Electric eased 1/4 to 53 1/4. American Express rose 1/4 to 34 1/4 and Philip Morris fell 1/4 to 87 1/4. Eastman Kodak rose 2 to 82 after Dean Witter Reynolds analyst Eugene Glazer recommended it, citing a strong turnaround in the company's sales in recent months. Among technology issues, IBM fell 1/4 to 159 1/4 and Cray Research rose 3/4 to 99 1/4. Some banking issues attracted buyers, but others were losers. J.P. Morgan rose 1/4 to 49 1/4. Citicorp rose 1/4 to 40 1/4 and Chase Manhattan Bank added 1/4 to 40 1/4. BankAmerica lost 1/4 to 11 1/4 and Manufacturers Hanover fell 1/4 to 43 1/4. BankAmerica added \$1.1 billion to its reserves for troubled Third World loans. Manufacturers Hanover is thought to be mulling a similar move. Prices ended mixed in moderate trading of American Stock Exchange issues and rose in over-the-counter trading. The American Stock Exchange index rose 1.17 to 331.53 and the price of an average share rose 1.17 to 331.53 and the price of an average share rose 1.17 to 331.53.

Table of stock prices (B) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (C) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (D) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (E) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (F) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (G) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (H) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (I) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (J) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (K) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (L) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (M) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (N) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (O) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (P) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (Q) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (R) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (S) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (T) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (U) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (V) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (W) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (X) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (Y) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (Z) with columns for 12-month high/low, stock symbol, and price.

Table of stock prices (AA) with columns for 12-month high/low, stock symbol, and price.

(Continued on next page)

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Chg. From Prev. Day. Lists various stocks like Pepsico, Johnson & Johnson, etc.

(Continued)

Continuation of the NYSE Closing table with more stock listings.

12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Chg. From Prev. Day

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Chg. From Prev. Day. Lists various stocks like UCC, UGI, etc.

BUSINESS PEOPLE

Top Finance Officer to Leave Lotus

By Arthur Higbee

NEW YORK — E.C. Prokopis, chief financial officer at Lotus Development Corp., a maker of software for personal computers, says he is leaving the company.

Mr. Prokopis said he would be at Lotus until a replacement is chosen, "unless something hot comes up for me."

Mr. Prokopis said he would like to go off and either run a small company or run a division in a larger one.

Frist to Assume Presidency of Hospital Corp.

TALLAHASSEE, Florida

HOSPITAL CORP. OF AMERICA said Tuesday that Thomas F. Frist Jr. will assume the position of president, in addition to his duties as chairman and chief executive, when the company completes its previously announced restructuring.

HCA said it expected the new company to begin operations in the third quarter.

Top 10 on Wall Street Earned an Average \$68 Million in '86

Compiled by Our Staff From Dispatches

NEW YORK — Wall Street's 10 highest-paid professionals earned an average of \$68 million last year, with the investment banker Michel David-Weill leading the pack at \$125 million, according to a financial magazine survey.

Mr. David-Weill, 54, is a senior partner at Lazard Freres & Co., which operates in Paris, London and New York.

The presidency had been unfilled since 1983. Fredy Dellis, 41, a Belgian who currently is executive vice president for international operations, has been promoted to the new post of president of Hertz International Ltd.

Canada May Lift Ban On Oil Exploration

The Associated Press

VANCOUVER, British Columbia — British Columbia and the federal government are working on the final stages of a plan to lift a 16-year moratorium on oil and gas exploration off Canada's west coast.

U.S. Wheat Forecast Rises 2%

The Associated Press

WASHINGTON — The U.S. Agriculture Department estimated Tuesday that 1987 winter wheat production will total 1.58 billion bushels, up 2 percent from last year's harvest of 1.53 billion bushels and up 2 percent from a forecast a month ago.

EC Ministers Fail to Reach Pact On Deregulation of Air Industry

The Associated Press

LUXEMBOURG — European Community transport ministers failed Tuesday to break a deadlock on a modest plan to deregulate civil aviation, EC officials said.

REAL ESTATE TO RENT/SHARE

PARIS AREA UNFURNISHED EMBASSY SERVICE 8 Ave. de Moscou 75008 Paris YOUR REAL ESTATE AGENT IN PARIS 45.62.78.99

INTERNATIONAL CLASSIFIED

(Continued From Back Page) REAL ESTATE TO RENT/SHARE PARIS AREA UNFURNISHED VILLE D'AVRAY, 110 sqm apartment...

HOLIDAYS & TRAVEL

Cruises to Elegance In the Mediterranean and to the GREEK ISLANDS, EGYPT, ISRAEL, TURKEY, THE USSR, YUGOSLAVIA AND ITALY

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Pages 22 & 21 FOR MORE CLASSIFIEDS

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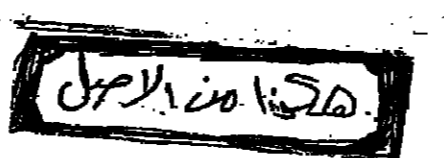
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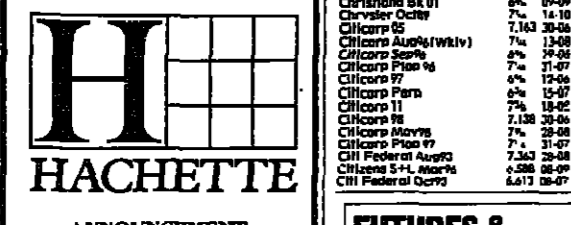
Pages 22 & 21 FOR MORE CLASSIFIEDS



Floating-Rate Notes

Table of Floating-Rate Notes with columns for currency, issuer, and rate.

Asia Pacific Growth Fund: Weekly net asset value on 29-3-1987 U.S. \$7.08. Listed on the Amsterdam Stock Exchange.



The Hachette Group, the leading French communications group, recently announced a reorganization of its operational structure.

Table of various international currencies and exchange rates.

Table of Pounds Sterling exchange rates.

Table of Deutsche Marks exchange rates.

Table of Japanese Yen exchange rates.

U.S. Futures

Table of U.S. Futures: Grains (Wheat, Corn, Soybeans).

Table of U.S. Futures: Metals (Copper, Silver, Gold).

Table of U.S. Futures: Livestock (Cattle, Hogs, Pigs).

Table of U.S. Futures: Energy (Crude Oil, Natural Gas).

Table of International Futures: European Currencies (DM, FF, Sfr).

Table of International Futures: Asian Currencies (Yen, Baht, Ringgit).

Table of International Futures: Commodities (Rubber, Tin, Nickel).

Table of International Futures: Precious Metals (Platinum, Palladium).

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 9th June 1987

Large table of International Funds with columns for fund name, currency, and price.

Currency Options

Table of Currency Options: Philadelphia Exchange.

Table of Currency Options: London Exchange.

Stock Indexes

Table of Stock Indexes: S&P 500, Nikkei, etc.

Commodity Indexes

Table of Commodity Indexes: Energy, Metals, etc.

Paris Commodities

Table of Paris Commodities: SUGAR, COFFEE, etc.

London Commodities

Table of London Commodities: SUGAR, COFFEE, etc.

Dividends

Table of Dividends: Various companies.

Spot Commodities

Table of Spot Commodities: Coffee, Cocoa, etc.

Company Results

Table of Company Results: Revenue and profits.

London Metals

Table of London Metals: Aluminum, Copper, etc.

DM Futures Options

Table of DM Futures Options: Various contracts.

U.S. Treasuries

Table of U.S. Treasuries: 3-month, 6-month, etc.

S&P 100 Index Options

Table of S&P 100 Index Options: Call and Put options.

France, Brazil in Train Talks

PARIS - French officials confirmed Tuesday that talks were under way between France and Brazil on plans for a French-made high-speed train link between São Paulo and Rio de Janeiro.



BUSINESS ROUNDUP

Honeywell Unveils New Computers

NEW YORK — Honeywell Bull, the new computer maker...

would be priced at \$675,000 to \$1.3 million, and the DPS 6 Plus departmental computers would start at \$33,000.

In reaction to the announcement, the company's stock rose \$1.625 on Tuesday, to \$81.25, in trading on the New York Stock Exchange.

Swiss to Open Phone Market

BERN — The Swiss government said Tuesday that it will allow domestic and foreign companies to compete in the telephone market...

ny will be able to supply households with second or third telephones, provided the instruments pass a test by the post office...

The new computers are additions to former Honeywell products. Honeywell said the new family of mainframes is compatible with existing families.

McDonnell Urges Joint Action on Hypersonic Jet

PARIS — McDonnell Douglas Corp. made a pitch Tuesday for a joint effort by aircraft companies to build a hypersonic jet for the 21st century.

The move is part of a revision of the telecommunications law expected to bring a much broader liberalization of the Swiss market.

The company said it plans to introduce triple and quad processors of the DPS 8000 system.

Maxwell's Legal Challenge Against Harcourt Is Denied

NEW YORK — British Printing & Communication Co., which is attempting a takeover of Harcourt Brace Jovanovich Inc., was blocked in federal court Tuesday in its pursuit of the U.S. publishing and entertainment company.

A federal judge denied a move by British Printing that would have stopped a special dividend plan by Harcourt, British Printing, based in Oxford, England, and controlled by Robert Maxwell, asked for a temporary restraining order Monday to prevent payment of the dividend to holders of Harcourt common stock.

British Printing's "dramatic last-minute attempt to prevent a record date was hardly made in a timely manner and is not persuasive," U.S. District Judge John F. Keenan ruled in an opinion issued Tuesday.

Plant Genetic Gambles on the Future

Lack of EC Policy Leaves Company's Patents in Doubt

By Peter Maass International Herald Tribune. GHENT, Belgium — Four years after it was founded, Plant Genetic Systems NV still does not have a product on the market or a profit on its books.

The firm drew on its equity reserves to pay for last year's investment program of 100 million francs.

The company raised about 270 million francs in fresh capital earlier this year and plans to raise 500 million to 1 billion more from institutional investors by the end of 1987.



Walter De Logi, the chief executive of Plant Genetic Systems NV, in a laboratory at Ghent University.

"We can become very big," said Walter De Logi, the company's chief executive. "We could become a billion-dollar company."

What is clear is that PGS has charted a risky course through the unknown field of plant genetic engineering. By tinkering with plant genes, PGS aims to create commercially viable forms of plant life that resist insects, diseases, herbicides or pesticides.

The first major breakthrough by PGS exemplifies the problems faced by the company. Earlier this year, PGS announced it had altered the genes of laboratory plants to make them super-resistant to Basta, an herbicide manufactured by Hoechst.

After a couple of breakthroughs in developing high levels of immunity, PGS has rapidly emerged as a leader in its field. It is also something of an anomaly, for few of its competitors in Western Europe are as small or as closely linked to academia.

Diversified chemical companies such as Hoechst AG and Monsanto Inc., which are conducting their own research into plant genetics, can easily afford the wait. But PGS, whose sole area of activity is plant genetics, is under far greater pressure to come up with marketable products soon.

So far, no country in the European Community has clarified whether new forms of plant life, or new plant genes, can be patented. PGS hopes that EC governments will agree on a common policy, but in the interim the company faces difficulties in defending and selling its discoveries.

Based at Ghent University, PGS employs about 110 researchers. Its revenue, about 190 million Belgian francs (\$5.06 million) in 1986, comes almost exclusively from contract research and is insufficient to cover investments.

His attitude reflects the confidence that is almost palpable at the campus headquarters of PGS, which is trying to project itself as a sleek model for West European high-technology firms.

PGS hopes its close ties with Ghent University will give it a decisive edge over its larger corporate rivals. PGS was founded by Marc Montagu, director of the university's genetics lab. He is also the scientific director at PGS.

one-third of the company's researchers have doctorates, and their average age is 27.

PGS hopes its close ties with Ghent University will give it a decisive edge over its larger corporate rivals.

The company's close ties with academia are somewhat of a novelty in Western Europe.

BofA's Decision Won't Derail Plan for Recovery, Analysts Say

LOS ANGELES — BankAmerica Corp.'s decision to add \$1.1 billion to its loan-loss reserves...

addition is likely to result in a net loss for the year of \$700 million to \$900 million, or \$4.50 to \$5.80 a share.

Standard & Poor's Corp. affirmed its ratings Tuesday on \$4 billion of BankAmerica debt...

BankAmerica also shrugged off a takeover attempt by First Interstate Bancorp earlier this year by selling assets and attempting to raise capital.

Mr. Clausen made no specific request for Sanwa's assistance, the spokesman added.

Although BankAmerica voiced hopes earlier this year for a 1987 profit, analysts said that the reserve

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BANK: BofA, Adding to Reserve, Sees \$1 Billion Loss

(Continued from first finance page) turn to its position as a successful giant in the banking world. It is also conceivable that the bank could once again become a takeover target, although no American bank seems to be a likely suitor.

BankAmerica's primary capital ratio, the main measure of the strength of the bank, remains at 7.4 percent, a level higher than the average of the 10 largest U.S. banks.

But its common equity, another measure of the bank's strength, will drop to an extremely low level of 2.3 percent of total assets, according to Donald Crowley, an analyst with Keefe, Bruyette & Woods.

Whether BankAmerica might have to sell assets to raise that equity will depend on how much pressure the Federal Reserve might put on the bank to raise its equity.

BankAmerica holds public and private loans worth \$2.7 billion in Brazil, \$2.4 billion in Mexico and \$1.2 billion in Venezuela.

Notice of Redemption and Termination of Conversion Rights

Komatsu Ltd. (Kabushiki Kaisha Komatsu Seisakusho)

74% Convertible Debentures due June 30, 1990

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of July 1, 1975, as supplemented by a First Supplemental Indenture dated as of September 1, 1982 (collectively as of October 1, 1982) between Komatsu Ltd. (the "Company") and First National City Bank (now Citibank, N.A. as the "Trustee") under which the above-designated Debentures were issued, \$241,000 aggregate principal amount of the said Debentures of the following distinctive numbers has been drawn by lot for redemption on June 30, 1987 through the operation of the sinking fund at the redemption price of 100% of the principal amount thereof:

Table with columns for Registered Debentures with Prefix Letters RM, RV, RX, RB, and Coupon Debentures with Prefix Letter M. Each row lists distinctive numbers and principal amounts.

The Debentures referred to above will become due and payable and, UPON PRESENTATION AND SURRENDER THEREOF (those Coupon Debentures to have all coupons pertaining thereto maturing after June 30, 1987) will be paid on said redemption date at Citibank, N.A., 111 Wall St., Corporate Trust Services, 5th Floor, New York, NY 10043, principal offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt/Main, London, Milan, Paris, and Citibank (Luxembourg) S.A., and the principal offices of J. Henry Schroder Wagg & Co. Ltd. (London), Banque Europenne de Tokyo, S.A. (Paris), Kredietbank S.A., Luxembourggoese (Luxembourg), The Fuji Bank, Limited (London), The Bank of Tokyo, Ltd. (London) and The Sumitomo Bank, Limited (London), as the Company's Paying Agents. From and after said redemption date, interest on said Debentures will cease to accrue.

Interest payable June 30, 1987 to holders of fully Registered Debentures shall be paid to the persons in whose names the Debentures are registered at the close of business on the Regular Record Date which shall be June 15, 1987 and said interest shall be mailed to the registered holders. If the holder does not elect to convert, coupons maturing June 30, 1987 should be detached and presented for payment in the usual manner.

The above specified Debentures called for redemption may be converted at the option of the holders thereof into Common Stock of the Company, American Depositary Receipts ("ADRs") or European Depositary Receipts ("EDRs") representing Common Stock of the Company at any time prior to, but not after, the close of business on June 26, 1987 at a conversion price (with Debentures taken at their principal amount translated into Japanese Yen at the rate of Y294.20 equals \$1) of 348.70 Japanese Yen per share of Common Stock. At the Close of Business ON JUNE 26, 1987 SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL DEBENTURES BEING REDEEMED AS SPECIFIED ABOVE.

Due to a change in the Japanese Commercial Code effective October 1, 1982 the Company shall effect delivery of only that number of issuable shares, ADRs or EDRs representing a unit of 1000 common shares or an integral multiple thereof. For any conversion not resulting in an integral multiple of 1000 shares, the Company will pay a cash adjustment in United States Dollars based on the market price of the common stock on the Tokyo Stock Exchange and the dollar/yen exchange rate on the date of conversion. At the present time the conversion of a dollar/yen exchange rate on the date of conversion, if the conversion of a cash adjustment and no shares single \$1,000 Debenture would result only in the payment of a cash adjustment and no shares would be issued. If converted on May 15, 1987 the cash adjustment would be approximately \$3,781 for such \$1,000 Debenture. If more than one Debenture is deposited for conversion at any time by the same holder, the number of shares issuable upon conversion shall be calculated on the basis of the aggregate principal amount of Debentures deposited.

In order to exercise the right to convert the above listed Debentures, the holder must deposit the Debenture on or prior to June 26, 1987 at any of the above mentioned offices of the Company's Paying Agents (acting as Depositories or Subdepositories) together with a written election to convert stating the name(s) and the address(es) of the person(s) to whom the ADRs, EDRs, common stock and/or cash adjustment is to be delivered. Bearer Debentures deposited for conversion must have the June 30, 1987, and all subsequent coupons attached. Fully registered Debentures deposited on or after June 15, 1987 must be accompanied by the interest payable on June 30, 1987.

On May 15, 1987, the closing sale price on the Tokyo Stock Exchange of the Common Stock was 630 Yen per share.

KOMATSU LTD. By: CITIBANK, N.A. as Trustee

May 27, 1987

GUMMI: General Tire Bid

(Continued from first finance page) group, dropped its bid for GenCorp after GenCorp proposed a restructuring that included a \$1.6 billion stock buyback.

Mr. Werner said that the U.S. market was particularly attractive for expansion because global demand for tires is expected to stagnate in the coming years while U.S. demand grows.

An equities analyst for Westdeutsche Landesbank Girozentrale AG in Düsseldorf said, "The primary goal for Conti Gummi is not to get General Tire as cheaply as possible, although there is nothing wrong with that."

But the West LB analyst said that the current takeover climate in the United States was a cause for concern for Conti Gummi.

Advertisement for AIR FRANCE featuring a large image of a plane and the text: HIGH STYLE FINE SERVICE IS ALWAYS IN FASHION. AIR FRANCE WE'RE AIMING EVEN HIGHER.

Advertisement for International Business Opportunities, Sales Agents Wanted, Night Vision Surveillance, and CCS Communication Control.



CURRENCY MARKETS

Pound Soars Amid Election Fever

NEW YORK — The dollar closed lower Tuesday amid a lack of positive news from the economic summit meeting in Venice, while the pound soared on feverish buying ahead of the general election Thursday in Britain, dealers said.

London Dollar Rates

Table with columns: Currency, Bid, Ask. Includes Deutsche mark, Japanese yen, Swiss franc, French franc.

drifted down; it was a slow death." Dealers described comments from officials of the seven leading industrialized nations meeting in Venice as familiar.

Nigel Lawson, the British chancellor of the Exchequer, said that the nations agreed that a further decline in the dollar would be counterproductive, while other British officials reported that the countries would strengthen coordination of their economic policies.

But dealers said that the skeptical market was seeking concrete evidence to support the official contention that the dollar does not need to fall further.

In London, the pound gained nearly 2 cents on the day to close at \$1.6630, up from \$1.6390 at Monday's close. On its trade-weighted index, the pound gained 0.5 to end at 73.3, its highest level since May 22.

Several dealers in Europe said they expected the dollar to fall further if the final communiqué issued Wednesday in Venice confirms the negative market sentiment.

One analyst said that the decline was likely to be more marked against European currencies than against the yen because the Europeans, unlike the Japanese, have yet to come up with a package to stimulate domestic demand.

In earlier European trading, the dollar was fixed in Frankfurt at 1.7993 DM, down from 1.8114 DM at Friday's close, and in Paris at 6.0:40 French francs, down from 6.0573.

It closed in Zurich at 1.4590 Swiss francs, down from 1.5030. The markets were closed in those financial centers Monday for a holiday.

Corrigan Warns On Dollar's Fall

NEW YORK — Gerald Corrigan, the president of the Federal Reserve Bank of New York, has warned that a further drop in the U.S. dollar would not benefit the world economy.

He said the volume of the U.S. trade deficit is improving and warned against adopting quick fixes. "Protectionism will not solve the U.S. external imbalances in an orderly way," he said.

He attacked what he called "political opportunists" in Washington who are pressing for further currency appreciation.

PRIVATIZE: 'People's Capitalism' Stirs Up Investors, Critics in France

(Continued from first finance page) like. For example, because the offering for Banque Paribas was 40 times oversubscribed, bidders could buy only four shares apiece.

The level of oversubscription is such that the shares appear undervalued," said Sebastian Scotnes, a European markets specialist with Dillon, Read Ltd. in London.

For example, the government offered shares of the Saint-Gobain glass works for 310 francs (\$51), but they traded at 369 francs on their first day on the Bourse and closed Tuesday at 418. CGE was offered at 290 francs, sold for 320 francs on London's gray market and began official trading last Wednesday at 323 francs.

The privatization campaign is making capitalism seep down through the social structure of France," said Marc Landau, manager of the Paris office of Drexel Burnham Lambert Inc.

Nevertheless, many critics are asking how successful "people's capitalism" will be since many small shareholders have already disposed of their holdings. Twenty percent of Paribas's shareholders have sold their shares, for example.

Some consolidation among shareholders seems inevitable," said Christian Saint Etienne, an economist with Credit Lyonnais. "If the number of shareholders at a company drops from 2 million to 1.7 million, that's not so serious."

Mr. Balladur sees public ownership as an important way to give French companies freer rein to compete internationally. He also says that it will make the Bourse more sophisticated, and thereby make it easier for French industry to obtain capital and grow.

The French stock market is very underdeveloped in relation to its economy," said Robert J.M. Rawe, director of France Fund Inc., an investment trust that specializes in French equities.

At least 1,200 people are gathering in Beijing for the Third World Advertising Congress according to its director, James L. Fleury.

Mr. Fleury also is advertising director of the London-based South Magazine, a business publication for developing countries. It has a circulation of 88,000 in around 70 countries.

Throughout the campaign for public offerings, the government has worried that one of the companies involved would become the target of a foreign or domestic raid. Thus, in almost all of these cases, Mr. Balladur has set aside about one-fourth of the stock for a core group of stable shareholders, usually a half-dozen French banks or industrial corporations. The idea is that this core, which buys the stock at a slight premium, will scare off hostile bids.

In each case, the government has picked the core group. "The truth is, the government is moving toward a freer market than before, but it is still not completely free," said Mr. Saint Etienne.

The overall theme of the congress, Mr. Fleury said, is how to do business in China. The corporations that have signed up, and some who will have representatives speaking, include PepsiCo, Unilever, Nestlé, Coca-Cola and Colgate-Palmolive.

Participants will include 30 engineers who will run the 15 tons of audio-visual equipment.

Runaway Currency Siftens Taiwan's Task on Money Supply

TAIPEI — Taiwan's central bank faces an uphill battle as it tries to stabilize the local dollar in preparation for lifting controls on foreign exchange outflows, according to bankers and economists.

The central bank has lost control of the currency," said Blair Pickering, manager in Taiwan of Jardine Fleming Ltd.

To slow runaway growth in money supply, the bank has announced that it intends to scrap all controls on currency outflows by late next month or early August, while maintaining its tight restrictions on capital inflows.

The basic money supply rose a seasonally-adjusted 5.56 percent in the year to the end of April.

Kong, Japan and the United States since early last year.

The central bank governor, Chang Chi-cheng, said last week that the bank intended to allow the Taiwan dollar to rise for the next few months and then intervene to stabilize the exchange rate, a move that would coincide with the lifting of exchange controls.

He attacked what he called "political opportunists" in Washington who are pressing for further currency appreciation.

The government answers by noting that it appointed a commission of professionals to place a value on each offering.

Mr. Balladur's defenders add that the government is selling the companies at a higher price than the Socialists bought them for five years ago, although the Socialists counter that the companies are worth more now because of the management the Socialists installed.

In addition, Mr. Balladur's backers say that some underpricing might not be bad, because it helps

Tuesday's OTC Prices. NASDAQ prices as of 4:30 New York time. Via The Associated Press.

Table with columns: Stock, Div. Yld., 52-Week High, Low, P.A.M. Change. Lists various OTC stocks like ADC, AST, AZO, etc.

Table with columns: Stock, Div. Yld., 52-Week High, Low, P.A.M. Change. Lists various OTC stocks like AIG, AIGP, AIGS, etc.

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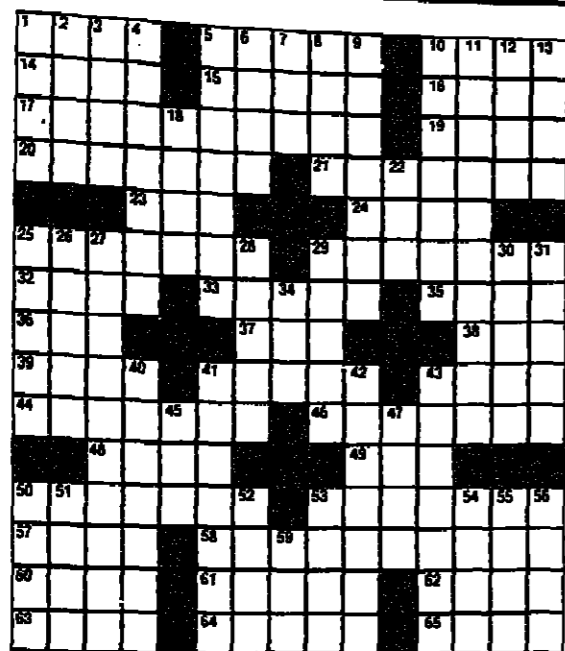
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**ACROSS**

1 Mud deposit  
5 Casals or Picasso  
10 Taut  
14 Water, in Mexico  
15 Of a Great Lake  
16 Biblical verb  
17 Cherry laurel  
19 Different  
20 Appropriate  
21 Surpass others in sports  
23 "Black gold"  
24 Memorable French singer  
25 Ascribes  
26 Shoved  
32 Event for Carl Lewis  
33 Casused in lasers  
35 Sacred  
36 Impediment  
37 Serbian city  
38 Captivate  
39 Entertainer Adams  
41 Land masses  
43 Place for a beret  
44 U.S. warning system  
46 Speculative purchases or sales  
48 Paisley and Fleming  
49 Mortarboard

**DOWN**

1 Coarse grain  
2 Composer Stravinsky  
3 She wrote "The Women"  
4 Delete  
5 Bewilder  
6 "How now!"  
7 Stage place  
8 Garde or Comor  
9 Having an advantage  
10 "... show me of life!"  
11 Psalm  
12 Sly girl at a dance

50 Summoned  
53 Dahl and Francis  
57 Heyerdahl's Kon-  
58 Teatime for some  
60 Woody Guthrie's son  
61 Titan with a burden  
62 Innkeeper, in Venezia  
63 Harold of comics  
64 He wrote "Hard Cash"  
65 Riot offering

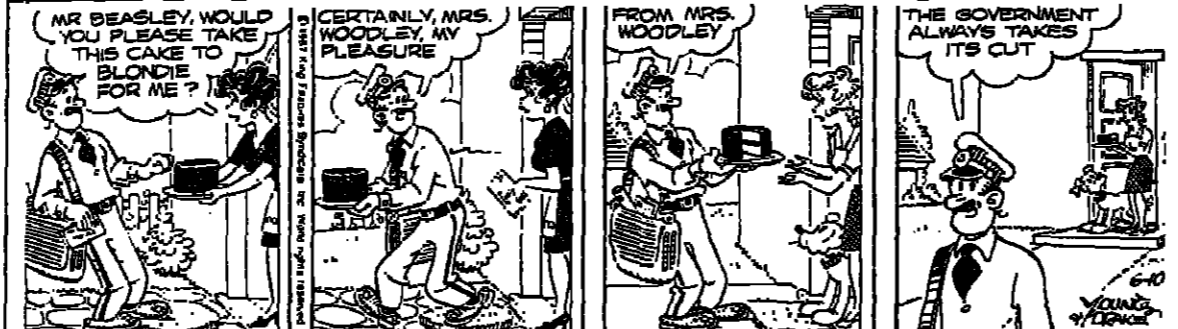
12 "Grand Night for Singing"  
13 Personal pronoun  
18 Exclude  
22 The season  
25 Fix in the mind  
26 Civil War general  
27 Saltwater snail  
28 Reason  
29 Figure in a Dutch crèche  
30 Beau monde  
31 Units of force  
34 Nothing  
40 High spirits  
41 To such a degree, with "as"  
42 Pure sugar, to a chemist  
43 Southern city and tree  
44 Data: Abbr.  
47 Agalite  
50 The follower  
51 Celta's land  
52 Fixed procedure  
53 City in Rumania  
54 Snack  
55 Outside  
56 Twist  
59 Gums, to an M.D.

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PEANUTS



BLONDIE



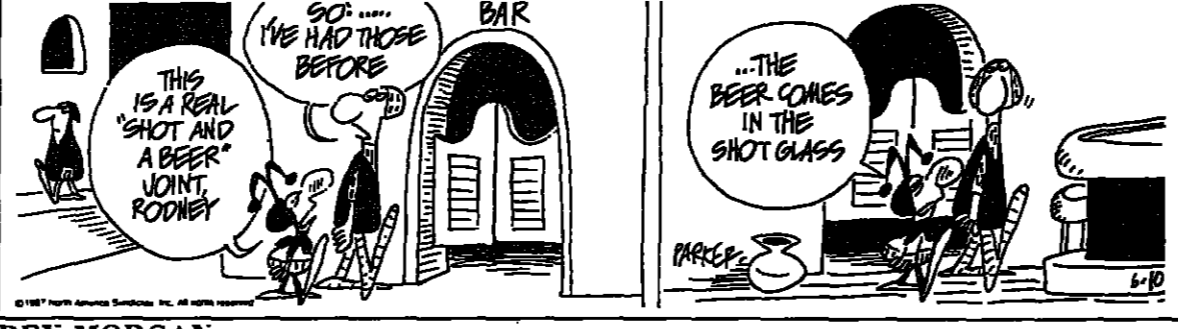
BEEBLE BAILEY



ANDY CAPP



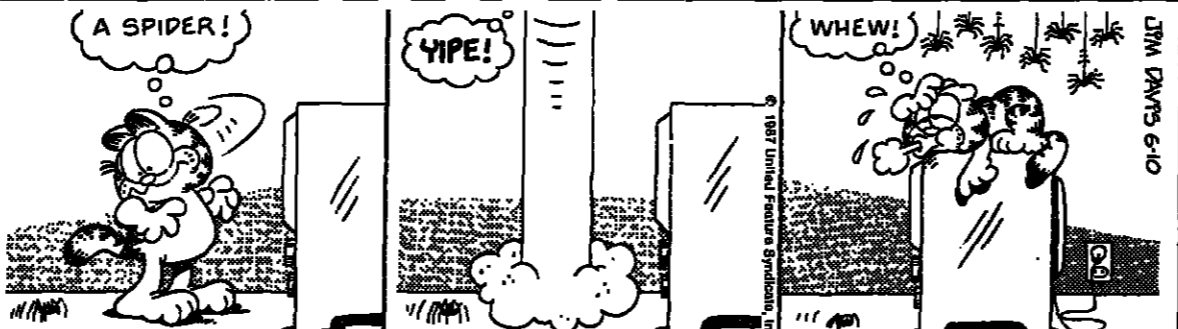
WIZARD OF ID



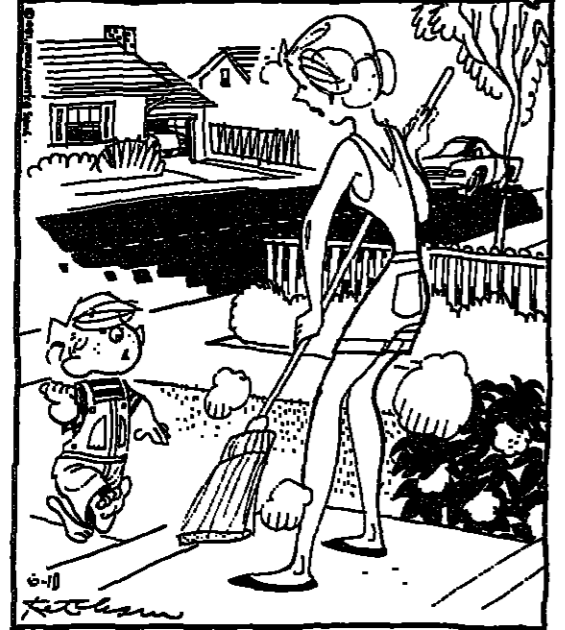
REX MORGAN



GARFIELD



DENNIS THE MENACE



MR. WILSON'S HEADACHE MUST BE WORSE. HE SAID HE'S NOT ALLOWED VISITORS.

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words. Answer here: HE WAS... UP

WEATHER

Table with weather forecasts for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania.

World Stock Markets

Table showing closing prices in local currencies for various stock markets including Amsterdam, London, Madrid, Paris, Frankfurt, Zurich, and Tokyo.

BOOKS

RACING THROUGH PARADISE: A Pacific Passage

By William F. Buckley Jr. Photographs by Christopher Little. 344 pages. \$25. Random House, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Christopher Lehmann-Haupt

ONE approaches "Racing Through Paradise: A Pacific Passage" with a twinge of apprehension. It is, after all—following "Airborne: A Sentimental Journey" (1976) and "Atlantic High: A Celebration" (1982)—the third book William F. Buckley Jr. has written about his sailing experiences in general and his ocean cruises in particular.

Solution to Previous Puzzle

LARAS RITA ANDA AGENT ADEN QUES MANSE VEND URNS BROWNIE TRIESTE ETONS OLDEST PARROT ADIEU

BRIDGE

By Alan Truscott

Five heart winners left this his peace over six spades ending: which duly failed by one trick.

World Stock Markets

Table showing closing prices in local currencies for various stock markets including Amsterdam, London, Madrid, Paris, Frankfurt, Zurich, and Tokyo.

Advertisement for 'BEST SELLERS' featuring a list of books and their authors, including 'The Haunted Mesa' and 'The Closing of the American Mind'.

SPORTS

كندا من الالاحول

BORIS IS BACK.



June 8-14 Queen's Club Tennis Championships

BECKER BECKONS — The Queen's Club in London served its ace in billboarding the annual runup to Wimbledon.

Men's Tennis: A Yawning Gap at the Top

By John Feinstein
Paris — Tennis is a sport of eras, usually defined by the players who dominate them. The Four Musketeers and Suzanne Lenglen of France...

Jays Rout Yankees, Take Over 1st Place

Compiled by Our Staff From Dispatches
NEW YORK — Rookie Fred McGriff, traded from the New York Yankees to the Toronto Blue Jays five years ago...

BASEBALL ROUNDUP

place in the American League's Eastern Division, a half-game ahead of New York. George Bell, who had never hit a homer at Yankee Stadium in five seasons with Toronto, hit two and drove in four runs...



Right fielder Ruben Sierra, who got one of the two hits Mark Langston allowed Texas, went to the wall but couldn't handle a seventh-inning drive off the bat of Seattle's Domingo Ramos.

SCOREBOARD

Baseball

Monday's Major League Line Scores

Table with columns for American League and National League, listing teams and their scores.

Major League Standings

Table showing league standings for American and National Leagues, including wins, losses, and percentages.



Bernd Schuster (right) in May 1986, his most recent senior game.

Last week, after his story was told without self-pity, calls came through from Turin. The waving away of John Charles. In Buon Gigame, touched raw nerves in Italy, which his memory is revered. Fiat, which controls Juventus, made an offer that Charles, for the second time, could not refuse.

A Sullen Star Languishes, an Old Star Rises

International Herald Tribune
"Yes, I know I am young and inexperienced. But it is a fault I am rectifying every day."
— Prime Minister William Pitt, at age 25, in 1733.

SPORTS BRIEFS

NBA Bucks in International Tourney

BOSTON (AP) — The National Basketball Association will play its first games in international competition when the Milwaukee Bucks meet the Soviet national team and European champion Tractor Milan in a three-game round-robin Oct. 25-27 in Milwaukee.

NCAA Names New Executive Director

KANSAS CITY, Missouri (AP) — Richard D. Schultz, the athletic director at the University of Virginia, on Monday was named executive director of the National Collegiate Athletic Association.

Quotable

Jim Sundberg of the Chicago Cubs, on a near miss with another plane during a team flight: "I don't know how close it was, but the lady in 13-D was having the chicken dinner." (L.A.T.)

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ESORTS & GUIDES INTERNATIONAL CLASSIFIED (Continued from Page 15). Includes listings for various cities like London, New York, and Geneva.

OBSERVER

Reasons Not to Run

By Russell Baker
NEW YORK — Five obvious reasons why a sensible politician might choose not to run for president next year:
1. THE "après moi le déluge" factor, better known in Francophone circles — and let's face it, that's where the votes are — as the "chickens coming home to roost" or the "pay the piper" factor.

important and find it fascinating, challenging, fulfilling and time-consuming. Running for president means you have to abandon this important, fascinating, challenging and fulfilling work and spend two years of your life doing things that are mostly unworthy of an adult.

By Eileen Blumenthal
NEW YORK — "The joy or the horror" of the extremes — the director Joseph Chaikin gropes for words to explain what lies beneath the wit and scintillations in "The Bald Soprano."

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Joseph Chaikin and the cast of his New York revival of Ionesco's "Bald Soprano."

PEOPLE

Nancy Reagan Registers Her Own Gallup Poll
Nancy Reagan headed a field of younger celebrities in a Gallup poll that asked married men and women between 25 and 34 whom they would most like to spend an evening with. "Mrs. Reagan projects a sophisticated charm and basic magnetism that men, particularly young men, are uncontrollably drawn to," says Fast Lane magazine, which commissioned the poll.

CONGRATULATIONS and BIRTHDAY MESSAGE CENTER
OELA DUBLIN welcome to the gang who celebrate our birthday with Phlo, Dacie, Saul, Judy and anyone else in the US. I celebrated that one in Florida, but unfortunately I do not have the US military. The real was in Australia where George S took us. Such is life, YWV.

ANNOUNCEMENTS
JULY IN PARIS. Writing workshop. American literature - painting, language - art history, lodgings, Paris 9 rue de la Harpe, 75005 Paris, France. Tel: 01 42 33 33 33

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